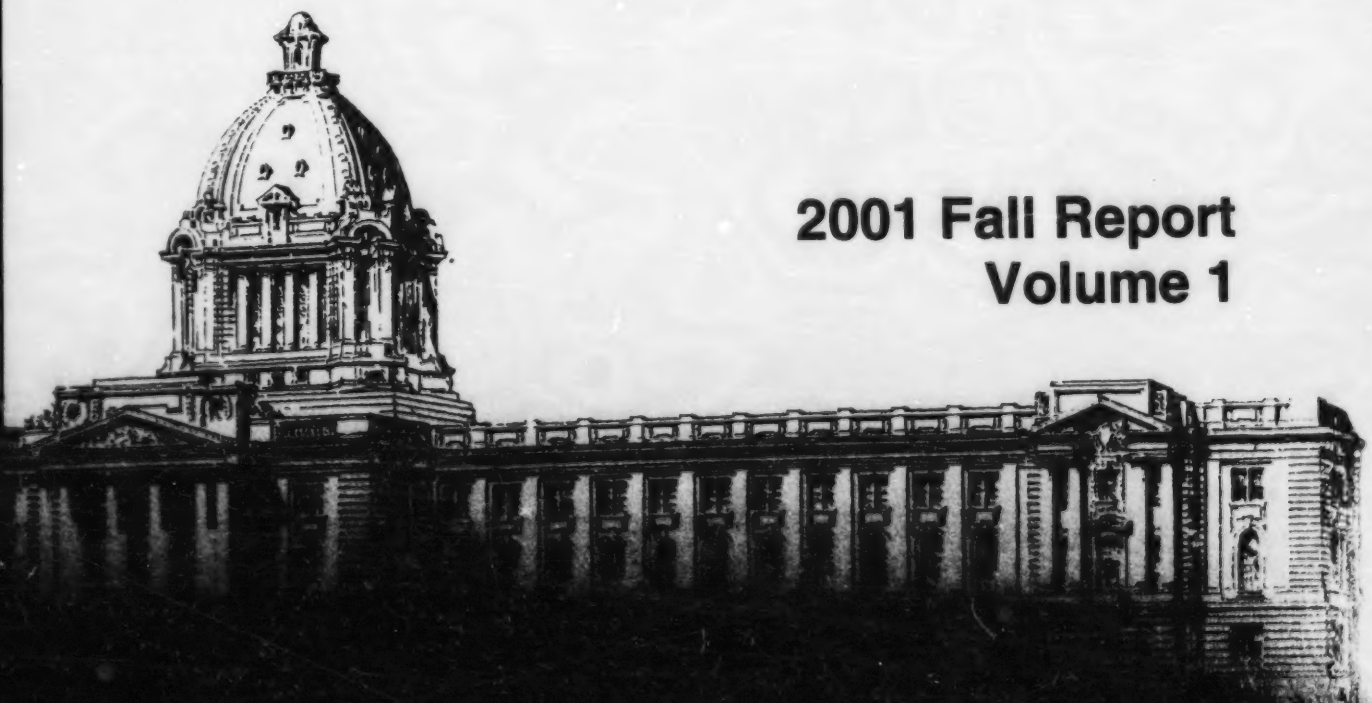
SASKATCHEWAN

Report of the Provincial Auditor

to the Legislative Assembly
of Saskatchewan

Understanding the Finances of the Government



2001 Fall Report
Volume 1

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Vision

We envision effective, open and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly.
We are committed to fostering excellence in public sector management and accountability.

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September 13, 2001

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour of submitting my *2001 Fall Report - Volume 1*, to be laid before the Legislative Assembly in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

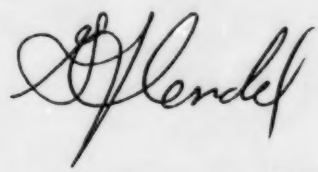
Respectfully yours,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/dd

Foreword

I am pleased to present my *2001 Fall Report – Volume 1* to the Legislative Assembly. This Report focuses on understanding the finances of the Government. Later this year, I will present Volume 2. Volume 2 will include the results of our work at other government organizations with years ended March 31, 2001.



Regina, Saskatchewan
September 13, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

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Executive summary

In this report, we measure the financial condition of the Government by using indicators recommended by The Canadian Institute of Chartered Accountants.

First, we measure the Government's ability to pay the accumulated deficit and to sustain its existing programs from Saskatchewan's economy. Second, we measure the Government's flexibility to meet rising commitments by increasing its revenues or increasing its accumulated deficit. Third, we measure the extent to which the Government relies on money from the Federal Government to pay for existing provincial programs.

Using these indicators, we conclude that the state of the Government's finances continues to improve, but the Government must continue to carefully manage its revenues and expenditures. As the state of the Government's finances improves, there is more pressure to increase Government expenditures. However, the Government's accumulated deficit of $7.9 billion is still large for a population of one million people and Saskatchewan's economy remains vulnerable to changes in commodity prices, interest rates, and the weather. A downturn in Saskatchewan's economy would require the Government to make difficult decisions on revenue raising and spending.

For the first time, we have included interprovincial comparisons. These comparisons are based on the most recent audited financial information available and allow readers to compare the condition of Saskatchewan's finances to that of other provinces. Saskatchewan's finances compare favourably with most other provinces.

In this report, we also recommend that the Government publish a financial plan showing the entire Government to help legislators, government officials, and the public debate the best use of the public resources available to the Government. The public needs this information to know if we can afford new and existing government programs.

Currently, the Government's overall financial planning information is focused on the General Revenue Fund. This information is not sufficient to understand the state of the finances of the entire Government because

it excludes a significant amount of revenue available to the Government. For example, in 2001, the annual surplus reported for the General Revenue Fund is $58 million, while the real surplus for the entire Government is $506 million.

It is time to change the focus of the Government's financial plan from the General Revenue Fund to that of the entire Government. Across Canada, seven provincial governments and the Federal Government have already changed the focus of their overall financial planning to show their entire government. These governments have moved away from presenting a budget based on part of the government. By doing so, they foster an informed debate about the impact of their budgets on their entire governments financial condition and the affordability of new and existing programs. The only governments that do not focus their overall financial planning on the entire government are Saskatchewan, Newfoundland, and Prince Edward Island.

Glossary

Annual surplus or deficit – is the difference between a government's revenues and expenses in one year. This measure shows the extent to which revenues raised in the year were sufficient or insufficient to meet expenses in that year.

Accumulated deficit – is the sum of all annual deficits and surpluses. This deficit is equal to the difference between a government's total liabilities and its total financial assets.

Liabilities – are amounts owed by a government. A government's liabilities include bonds and debentures, pension obligations, and a variety of other payables and claims. A government's total liabilities equals its total debt.

Financial assets – are cash and other assets convertible to cash which are not intended for consumption in the normal course of operations, but which could provide resources to pay liabilities or finance future operations. Examples include claims on outside organizations, investments in marketable securities, and inventories for resale.

General Revenue Fund – is a special purpose fund the Government uses to pay for some of the programs it provides. The financial statements of the General Revenue Fund reflect only a part of the Government's activities. The Government sets out a financial plan for the Fund in its annual budget. Transfers to and from other organizations that the Government controls impact the financial results of the General Revenue Fund.

Government enterprises – are self-sufficient Crown corporations that have the financial and operating authority to sell goods and services to individuals and non-government organizations as their principal activity. Examples include SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. Their financial results are included in Schedule 3 to the summary financial statements.

Government service organizations – are organizations that are accountable to government and are either owned or controlled by the Government, and are not government enterprises. A listing of government service organizations is provided in Schedule 14 to the summary financial statements.

Gross domestic product (GDP) – is a measure of the value of the goods and services produced in a jurisdiction in one year.

Own source revenue – is the revenue raised by a provincial government from sources within the province and, thus, excludes revenue transferred to a provincial government from the Federal Government.

Summary financial statements – is a report of the financial results of all organizations the Government uses to provide goods and services to the public. The summary financial statements combine the financial activity of all government organizations including departments, Crown corporations, agencies, boards, and commissions, etc.

Key financial and economic indicators for Saskatchewan

(derived from the Government's summary financial statements)

(in millions)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Annual Surplus (Deficit)	(740)	(1,670)	(846)	(253)	184	574	557	368	128	418	506
Accumulated Deficit	7,885	9,555	10,401	10,654	10,470	9,896	9,339	8,971	8,843	8,425	7,919
Gross Domestic Product (GDP)	21,436	21,794	21,366	22,930	24,704	26,609	28,907	29,116	28,749	29,908	32,918

(in percentages)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Accumulated Deficit as a % of GDP	37%	44%	49%	46%	42%	37%	32%	31%	31%	28%	24%
Interest Costs as a % of Revenue	20%	21%	24%	23%	22%	20%	20%	19%	18%	14%	13%
Federal Government Transfers as a % of own source revenue	43%	46%	37%	36%	33%	20%	16%	12%	21%	27%	17%
Own source revenue as a % of GDP	17%	17%	18%	18%	19%	20%	19%	19%	18%	19%	18%

Notes 1. The Government's summary financial statements cover the fiscal year ending March 31. As GDP statistics are not available for a fiscal year, we use GDP statistics for a calendar year in our analysis. For example, the GDP statistic in the 2001 column is for the year ended December 31, 2000. The GDP statistics were obtained from the Saskatchewan Bureau of Statistics. These GDP statistics are not adjusted for inflation.

2. This year we have changed the model used for presenting and calculating the indicators in this report. For further information see page 8.

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Introduction

Our Office is often asked about the state of the Saskatchewan Government's finances. Legislators, government officials, and the public want to know whether the Government's finances are gaining strength or weakening, and why. Also, many want to know where they can obtain information that can help them make their own assessments.

A sound understanding of the Government's finances is an important ingredient to an informed debate about the issues faced by the Government. Those issues pertain to the affordability of programs and services; the best sources of revenue; and the maintenance of Saskatchewan's infrastructure of roads, dams, buildings, and energy and telecommunication systems.

For Saskatchewan, a sound understanding of the Government's finances is particularly important because of the potential impact of changes in economies outside Saskatchewan and Canada. Those changes, such as changing commodity prices, impact the Saskatchewan economy, and, thus, the state of finances of the Saskatchewan Government.

In this Report, we set out some financial and economic information that should help Saskatchewan people understand and assess the state of the Government's finances. We continue to encourage the Government to publish better overall financial planning information.

The information in this Report is derived from the Government's statistical reports and from its summary financial statements contained in Volume 1 of the Public Accounts (the 2000-01 summary financial statements are set out in Appendix 4 to this Report). The information is not adjusted for inflation.

In this Report, we focus on the status of several financial and economic indicators for the years 1991 to 2001. The Government has prepared summary financial statements since 1992. In Appendix 1, we also set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials, and the public to understand the state of the Government's finances.

Change in presentation of information

This year we have changed the way we present and calculate the information in this report. We now present and calculate the information in this report using the same model as that used to report the Government's summary financial statements. This model includes the net income from Government enterprise Crown corporations in total revenue. Also, it does not include the expenses of these corporations in total expenses. The information used for this model is set out in Appendix 2A.

In previous reports, we included the revenues and expenses of Government enterprise Crown corporations in total revenue and expenses. We continue to show the information based on the previous year's model in Appendices 2B and 2C.

Although we have changed the presentation and calculation of the information, the trends presented by the indicators in this report remain consistent with our previous reports.

We changed the presentation and calculation of information for this report to make it easier for legislators and the public to compare the financial information in this report to the Government's summary financial statements and the model we propose for an overall Government financial plan as set out in Appendix 3. Also, the new presentation and calculation makes it easier to make interprovincial comparisons.

For readers who want to see how the information in this report would be presented and calculated following the model used in previous reports, we have included this information and graphs in Appendices 2B and 2C.

Interprovincial comparisons

For several years, we have been asked how the state of the Saskatchewan Government's finances compares with other provinces. Therefore, we have included several graphs that will assist readers to compare the state of Saskatchewan's finances to those of other provinces. The most recent year for which complete information is available is for the year ended March 31, 2000.

Readers of these graphs should be aware that provincial governments are organized differently and that this can result in differences in how sectors of government are reported in their financial information. For example, some provincial governments include the results of health districts in their summary financial statements, while others do not. Also, the economic characteristics of provincial economies differ. For example, some provincial governments obtain significant revenue from non-renewable resources such as oil and gas, while others do not.

To prepare these graphs, we used Gross Domestic Product statistics for the year ended December 31, 1999, which we obtained from Statistics Canada. This information was prepared for each province and is available on the Internet at: http://www.statcan.ca/english/Pgdb/Economy/Economic/econ15.htm. In addition, we used financial information from the audited summary financial statements prepared for each province for the year ended March 31, 2000.

The state of the Government's finances

The state of the Government's finances continues to improve. The improvement in the state of the Government's finances is the result of the Government's decision to spend less than it raises in revenues and a growing Saskatchewan economy.

Over the past seven years, the Government has been living within its means and has spent $2.7 billion less than the revenue it has raised. The $2.7 billion includes about $0.9 billion of revenue from the sale of investments. Also, over the past ten years, the Government has spent all of the revenue it has raised. As a result, the accumulated deficit of $7.9 billion is the same as it was in 1991. However, over the past 10 years, the economy has grown by about $11.5 billion and the economy is now better able to carry the accumulated deficit and sustain existing Government programs.

As the state of the Government's finances improves, there is more pressure to increase Government expenditures. However, the Government's accumulated deficit of $7.9 billion is still large for a population of one million people and Saskatchewan's economy remains vulnerable to changes in commodity prices, interest rates, and the weather. Therefore, the Government must continue to carefully manage

its revenues and expenditures. A downturn in Saskatchewan's economy would require the Government to make difficult decisions on revenue raising and spending.

Key indicators of the state of a government's finances

Governments should publish financial and economic information to help people assess:

- The ability of a government to meet its existing program commitments and creditor requirements without increasing its accumulated deficit – **sustainability**.

- The degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenues or by increasing its accumulated deficit – **flexibility**.

- The degree to which a government becomes dependent, and thus, vulnerable to sources of funding outside of its control or influence – **vulnerability**.

There are several financial and economic indicators that can help people make these assessments. The trends in these indicators provide insight into the state of a government's finances (the Research Report entitled *Indicators of Government Financial Condition*, published by The Canadian Institute of Chartered Accountants, describes these indicators).

In this Report, we discuss these indicators in the Saskatchewan context. Each indicator can and should be analyzed in detail, combined with other information, and monitored over time. The Government should include such an analysis in an annual performance report. Publishing an annual performance report would also provide the Government with the opportunity to set out its thinking on the underlying issues, the status of its key performance indicators, and its plans for the future.

Recently, The Canadian Institute of Chartered Accountants used similar indicators to measure progress on the state of the Federal Government's finances. Also, five other provincial audit offices use similar indicators to report on the state of government finances in their jurisdictions and other provincial audit offices are considering similar reporting.

The Government's deficit and Saskatchewan's gross domestic product

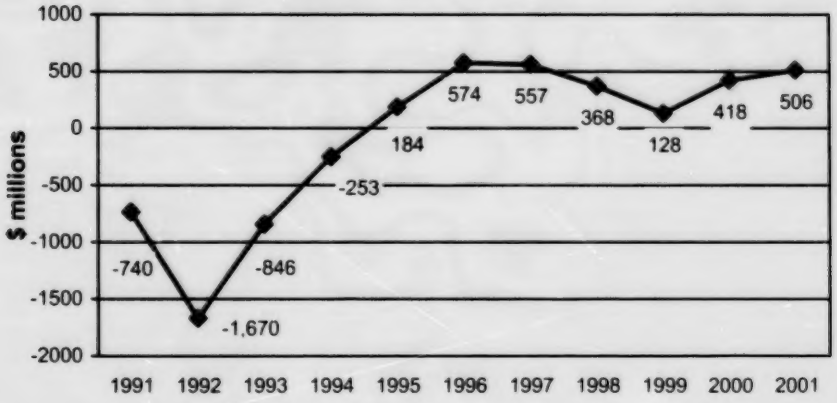
A government's annual surplus or deficit, its accumulated deficit, and a province's gross domestic product (GDP) are important indicators of the state of a government's finances. Each of these indicators provides useful insight into the **sustainability** of a government's revenue raising and spending practices.

The annual surplus or deficit shows the extent to which a government spends less or more than what it raises in revenues in one fiscal year. In simple terms, it shows whether a government is living within its means.

Graph 1 shows the Government has been living within its means for the past seven years. During this period, the Government has spent $2.7 billion less than the revenue it has raised. The $2.7 billion includes about $0.9 billion of revenue from the sale of investments such as the Government's shares in Cameco.

Graph 1

The Government's Annual Surplus or Deficit



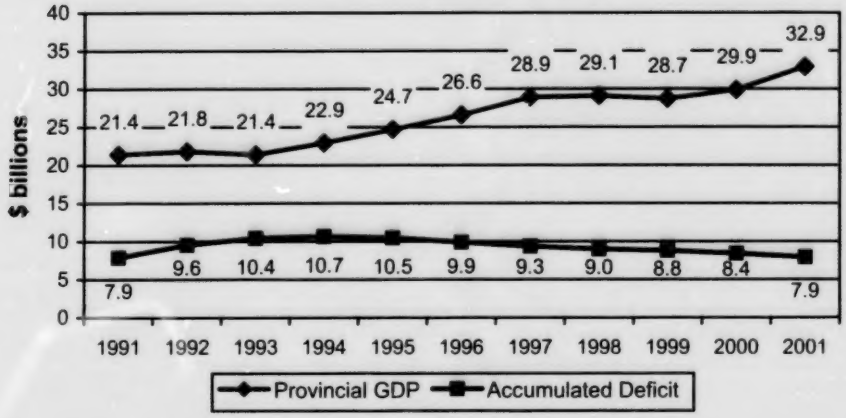
The accumulated deficit is the sum of all annual deficits and surpluses. The Government's accumulated deficit is the amount that current and past generations of Saskatchewan citizens are leaving to future generations of citizens to pay or finance. On March 31, 2001, the accumulated deficit was $7.9 billion (see Graph 2).

The Province's gross domestic product (GDP) is a measure of the total value of all the goods and services produced in Saskatchewan in one

year. The GDP indicates the size of the provincial economy. The Government must manage its revenue raising and spending practices in the context of the economy of Saskatchewan.

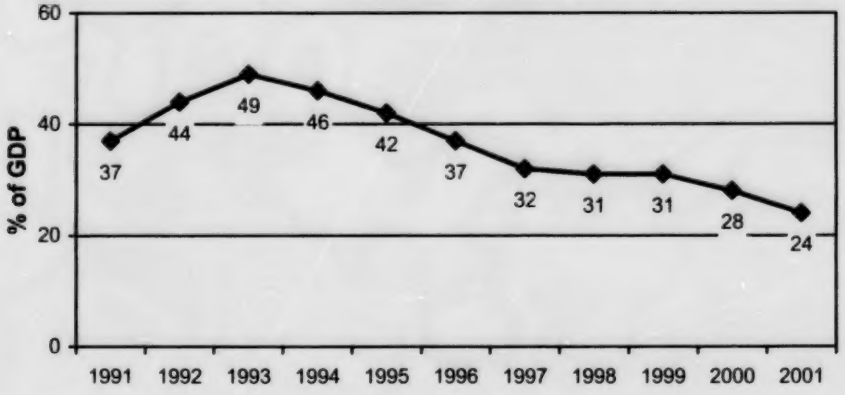
Since 1991, the GDP of Saskatchewan has increased by 54% (unadjusted for inflation). During the same period, the consumer price index increased by 24%. In 2001, the GDP of Saskatchewan was $32.9 billion (see Graph 2).

Graph 2 **The Province's GDP and the Government's Accumulated Deficit**



The financial demands placed on the economy by the Government's spending and revenue raising practices can be assessed for sustainability by comparing the Government's accumulated deficit to the Province's GDP (see Graph 3).

Graph 3 **The Government's Accumulated Deficit as a % of GDP**



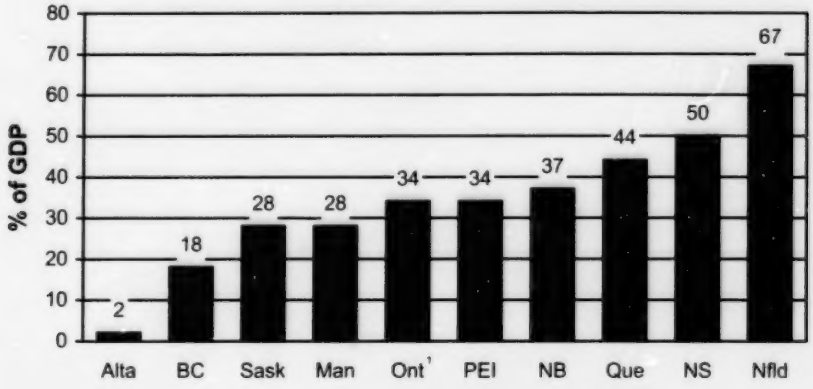
In Saskatchewan, this comparison shows that from 1991 to 1993 the trend in the Government's spending and revenue raising practices was not sustainable. If that upward trend had continued, the Saskatchewan economy would not have been able to meet the financing needs of a growing accumulated deficit. During these years, the credit rating of the Government was lowered. The Government had access to fewer sources for borrowing, paid higher interest costs, and received larger equalization payments from the rest of Canada through the Federal Government.

Saskatchewan's economy has grown over the past eleven years. Also, since 1995, the Government has been spending less than it raises in revenues. As a result, the accumulated deficit as a percentage of GDP decreased. This downward trend suggests the economy is better able to sustain the demands placed on it by the Government. Since 1995, the credit rating of the Government has improved. The Government now has more sources for borrowing, pays lower interest costs, and relies less on equalization payments.

Interprovincial comparison

In graph 4, we show an interprovincial comparison of accumulated deficit as a percentage of each province's GDP as at March 31, 2000. This graph shows that Saskatchewan's accumulated deficit as a percentage of Saskatchewan's gross domestic product is among the lowest in Canada. This means that the Saskatchewan economy is better able to sustain the demands placed on it by the Government than most other provinces. Also, graph 3 shows further improvement by Saskatchewan in 2001.

Graph 4 **Interprovincial Comparison of Accumulated Deficit as a % of GDP as at March 31, 2000**



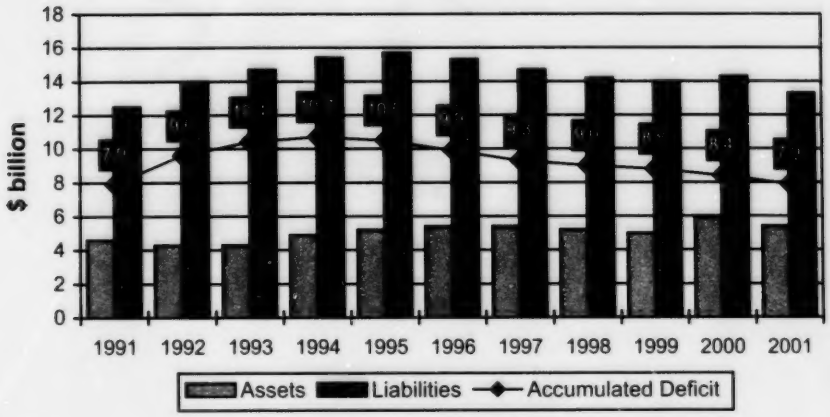
The Government's accumulated deficit and interest costs

A government's accumulated deficit and its interest costs are also important indicators of the state of its finances. These indicators provide insight into a government's **flexibility** in responding to rising commitments. When a government has a large accumulated deficit and interest costs, it has fewer resources to allocate to programs and services.

The Government's accumulated deficit reached a peak in 1994 and has decreased each year thereafter. Since 1994, the Government's accumulated deficit has decreased from $10.7 billion to $7.9 billion (see Graph 5). As noted earlier, the accumulated deficit is equal to the difference between a government's total liabilities and its total financial assets.

[1] Accumulated deficit includes stranded debt of $20 billion.

Graph 5 **The Government's Accumulated Deficit as at March 31**



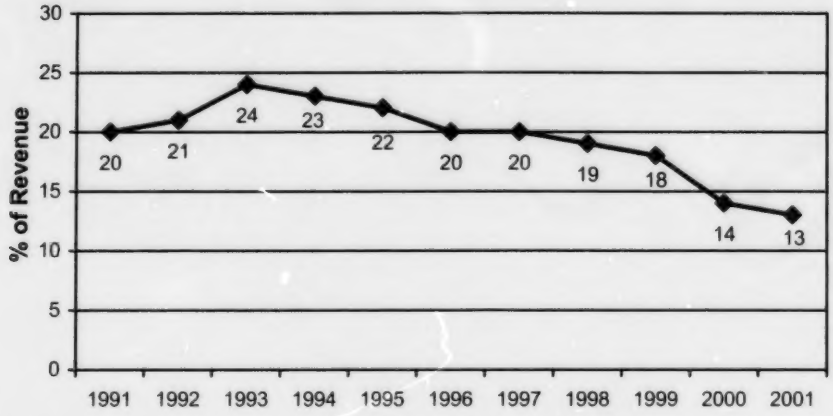
The Government incurs interest costs on its debt of bonds and debentures and its unfunded pension liabilities. At March 31, 2001, the Government's debt of bonds and debentures was $8.0 billion and its unfunded pension liabilities were $3.9 billion. The money to pay interest costs is raised by levying taxes or by charging directly for services, e.g., utility rates. In 2001, the Government's interest costs were $0.9 billion. To put that $0.9 billion in perspective, in the same year, the Government spent $1.0 billion on education and $2.2 billion on health.

The trend in interest costs as a percentage of total revenue, sometimes called the "interest bite", is an important indicator of the state of a government's finances. This indicator shows the extent to which a government must use revenue to pay interest costs rather than to pay for programs and services.

In 1993, twenty-four cents of every dollar of the Government's revenue was needed to pay for interest costs (see Graph 6). Since 1993, the amount of revenue the Government needed to pay for interest costs has declined. In 2001, thirteen cents of every dollar of the Government's revenue was needed to pay for interest costs. This represents a reduction in the interest bite.

Graph 6

The Government's Interest Costs as a % of Revenue

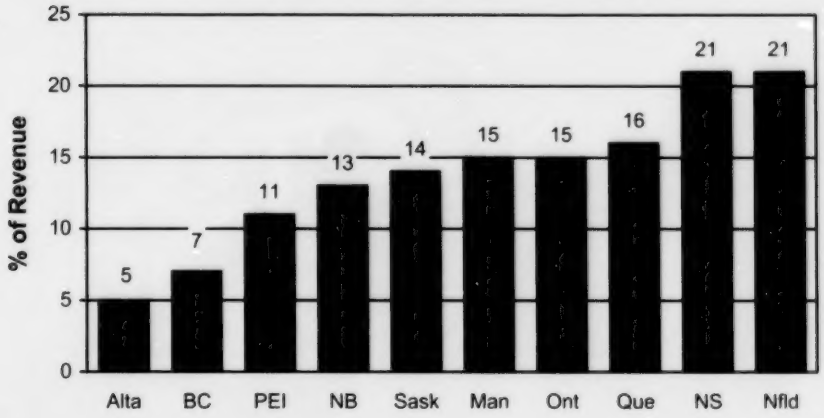


As a result of the reduction in the interest bite, the Government can now use more of its revenues to pay for programs and services, and use less of its revenues to pay for the interest costs of debt. The interest costs of debt peaked in 1995 at $1.3 billion. In 2001, the interest costs of debt were $391 million less than in 1995 and $79 million less than in 2000. The reduction in the interest bite is the result of a combination of debt reduction, increased revenue, and lower interest rates on the Government's debt. Although the Government's interest costs are declining, these costs continue to be a significant expense.

Interprovincial comparison

In graph 7, we show an interprovincial comparison of government interest costs as a percentage of government revenue. This graph shows that Saskatchewan's interest costs, as a percentage of revenue, is fifth lowest of the ten provinces at March 31, 2000. Also, graph 6 shows further improvement by Saskatchewan in 2001.

Graph 7 **Interprovincial Comparison of Interest Costs as a % of Revenue as at March 31, 2000**



Transfers from the Federal Government

The Saskatchewan Government raises revenue from two general sources. The first revenue source is from within the Province. This source is called "own source revenue". The second source of revenue is transfers from the Federal Government.

A significant portion of the Saskatchewan Government's revenue consists of transfers from the Federal Government. These revenue transfers are intended to help pay for the costs of such programs as health, education, social services, and agriculture. In addition, the Saskatchewan Government receives equalization transfers from the Federal Government.

The Federal Government calculates the amount of equalization transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies outside Saskatchewan.

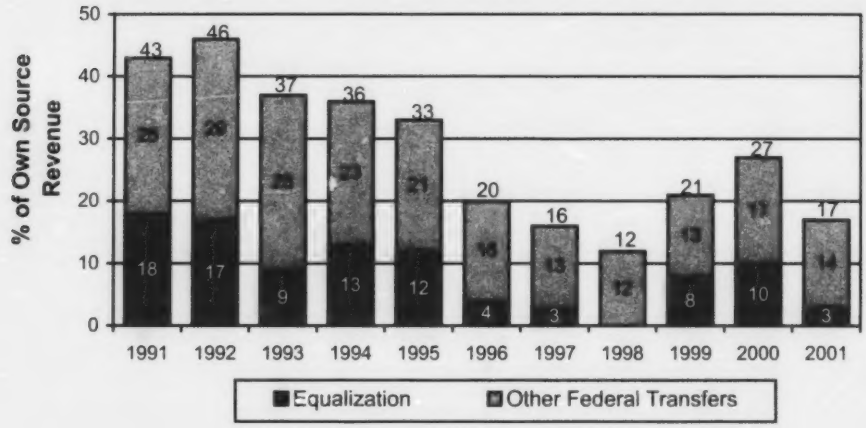
An important indicator of the state of the Saskatchewan Government's finances is the extent to which it raises its own revenue from within the Province (own source revenue) as compared to the extent to which it receives revenue transfers from the Federal Government. This indicator provides a valuable insight into the Saskatchewan Government's

vulnerability to sources of revenue outside of its control. In simple terms, this indicator measures the extent to which a government can manage its financial affairs without having to rely on others.

Since 1991, revenue transfers from the Federal Government have decreased as a percentage of the revenues raised directly by the Saskatchewan Government from sources within the Province (see Graph 8). Graph 8 also shows the fluctuation in equalization and other transfers from the Federal Government. Other transfers include Canada Health and Social (CHST) transfers and transfers for education and agriculture.

Graph 8

Federal Government Transfers as a % of Saskatchewan Government Own Source Revenue



Since 1991, revenue transfers from the Federal Government have decreased from $1.6 billion to $1.0 billion. Also, revenue raised directly by the Saskatchewan Government from sources within the Province has increased significantly.

For example, since 1991:

- Taxation revenue has increased by 60% from $2.0 billion to $3.2 billion, while GDP has increased by 54%;

- Net income of the Government's enterprise Crown corporations[2] has increased from $0.4 billion to $0.7 billion; and

- Non-renewable resources revenue has increased from $0.4 billion to $1.3 billion in 2001.

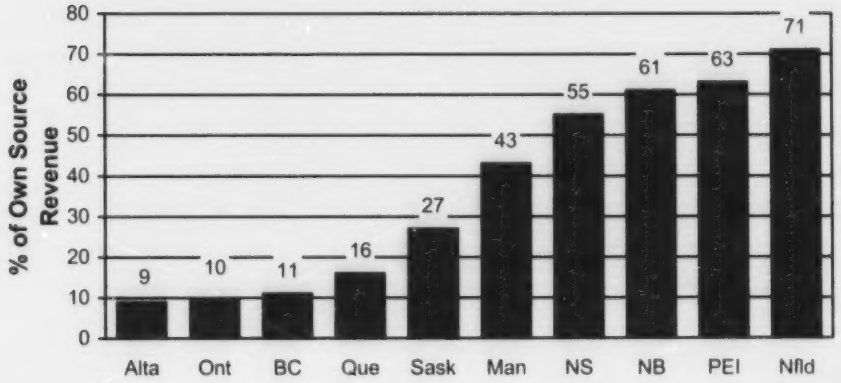
Since 1991, Federal Government transfers as a percentage of Saskatchewan Government own source revenue have declined from 43% to 17%. As a result, the Government is less dependent on, or less vulnerable to, sources of revenue outside its control.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2A of this Report.

Interprovincial comparison

In graph 9, we show an interprovincial comparison of Federal Transfers as a percentage of own source revenue as at March 31, 2000. This graph shows that Saskatchewan's revenue transfers from the Federal Government as a percentage of own source revenue are fifth lowest of the ten provinces. In 2001, Saskatchewan's revenue transfers from the Federal Government were $524 million less than in 2000.

Graph 9 **Interprovincial Comparison of Federal Transfers as a % of Own Source Revenue as at March 31, 2000**



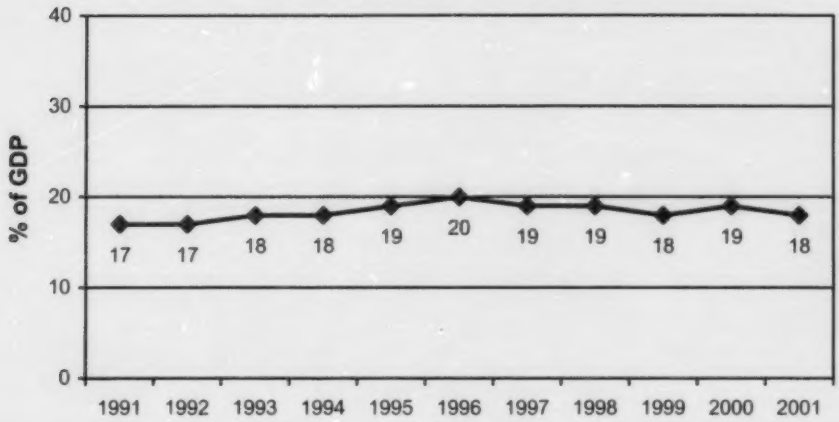
[2] The Government's enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. They are included in Schedule 3 to the summary financial statements (see page 60). These enterprises raise revenue through direct charges for goods and services.

The Government's own source revenue

Another important indicator of the state of a government's finances is shown by comparing the change in a government's own source revenue to the size of the economy (see Graph 10).

Graph 10

The Government's Own Source Revenue as a % of GDP

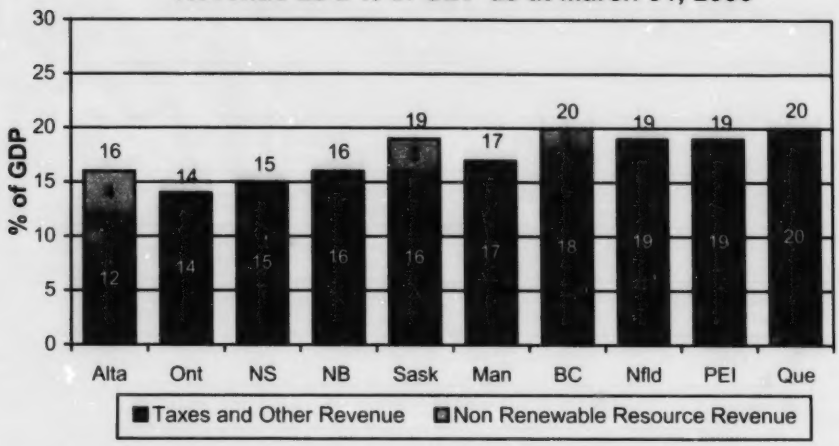


Since 1991, the revenue raised by the Saskatchewan Government, as a percentage of GDP from sources within the Province has remained fairly constant. Although the Government has improved its finances, the Government continues to place significant revenue demands on the Province's economy.

Interprovincial comparison

In graph 11, we show an interprovincial comparison of own source revenue as a percentage of GDP as at March 31, 2000. This shows the extent of a government's revenue demands on a provincial economy. This graph shows that Saskatchewan's own source revenue from taxes and other revenue are fifth lowest of the ten provinces. Also, the graph shows that Saskatchewan has higher revenue from non-renewable resources than most other provinces.

Graph 11 **Interprovincial Comparison of Own Source Revenue as a % of GDP as at March 31, 2000**



Overall financial planning information needed

In addition to questions about the state of the Government's finances, we are often asked whether the Government is managing our resources in the best possible manner. This is a very difficult question because the answer involves important policy issues related to the role of government and whether individual programs are worthwhile. Such issues are best debated among legislators and the public.

The Government needs to publish better overall financial planning information to help legislators, government officials, and the public debate the best use of the public resources available to the Government.

Currently, the Government does not publish overall financial planning information. We think it should. The issues and decisions faced by Saskatchewan are far too important and complex to be considered in the context of incomplete planning information.

The financial planning information now published by the Government focuses on an incomplete picture of its finances as set out in one government fund called the General Revenue Fund. That picture is not complete because significant Government activity takes place outside of that Fund. This activity takes place in organizations such as SaskTel and SaskPower and also other organizations responsible to Treasury Board such as the Saskatchewan Crop Insurance Corporation and the Fiscal Stabilization Fund.

Planning information focused only on the General Revenue Fund is not sufficient information to understand the overall financial picture of the Government and to have an informed debate on the affordability of new or existing government programs. For example, in 2001, the annual surplus reported for the General Revenue Fund is $58 million, while the real surplus for the entire Government is $506 million.

Also, the information that is presented in the General Revenue Fund can be changed by arbitrary Government decisions about which revenues or expenses to record in the Fund and in which year. For example, the Government can choose to transfer money from Crown corporations and other organizations and record the transfer as revenue in the General Revenue Fund. In 2001, the Government chose to transfer no revenue from Crown Investments Corporation of Saskatchewan (CIC) versus the $125 million the Government chose to transfer in 2000. Also, the Government may choose to record transfers to or from the Fiscal Stabilization Fund and record the transfers as expenditures or revenues of the General Revenue Fund. In 2001, the Government chose to record a $775 million transfer to the Fiscal Stabilization Fund as an expenditure of the General Revenue Fund.

It is time for Saskatchewan to change. The Government should focus its overall financial planning information on the entire Government. For several years, we have recommended that the Government base its overall financial plan on the entire Government.

Across Canada, seven provincial governments and the Federal Government have already changed the focus of their financial planning information to include their entire governments. These governments no longer focus on incomplete information in funds such as the General Revenue Fund. Also, many governments no longer produce audited financial statements for their equivalent of Saskatchewan's General Revenue Fund. The only provinces that do not focus their overall financial planning on the entire Government are Saskatchewan, Newfoundland, and Prince Edward Island.

In Appendix 3, we set out a model that could be used as a supplementary statement attached to the Budget to provide an overall picture of the Government's financial plan. This model provides the information necessary to have an informed debate on the affordability of new and

existing programs. This model brings together the three main areas of the Government's revenues and expenditures.

First, the model shows the revenues and expenditures as set out currently in the Budget for the General Revenue Fund. Legislators vote on expenditures as part of the Budget approval process. Second, the model shows the net income of the Government's enterprise Crown corporations in a similar way to that of the Government's summary financial statements. Finally, the model shows the remaining revenues available to the Government that are included in the various Government service organizations that do not form part of the General Revenue Fund, such as the Saskatchewan Crop Insurance Corporation and the Fiscal Stabilization Fund.

Some argue that providing the planned net income of Government enterprises as part of the overall financial plan might impair the competitive position of the Government enterprises. However, as part of their Balanced Scorecard reporting system the Government enterprises in the CIC sector already report or will report their long-term targets for net income (return on equity). Therefore, providing the planned net income of Government enterprises as part of the Government's overall financial plan will not impair the competitive position of these organizations. Also, seven provincial governments and the Federal Government now include the net income of their government enterprises as part of their overall financial plans.

Providing a financial plan for the entire Government will allow legislators and the public to have an informed debate on issues such as the affordability of new or existing Government programs.

Recommendation

1. **We recommend that the Government should publish a financial plan for the entire Government.**

Appendix 1 – Other questions and answers

In this Appendix, we set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials, and the public to understand the state of the Government's finances.

1. Is the Government making the best use of the public's resources?

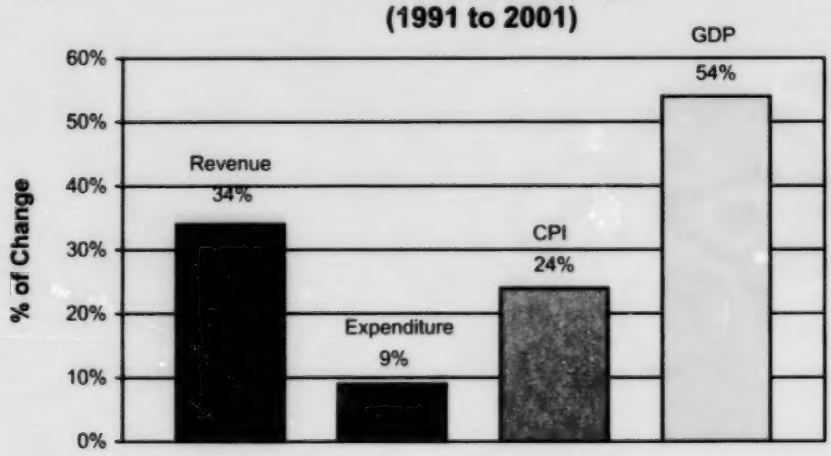
   This is a question that involves important policy issues best left to informed legislative and public debate. However, the Government should do more to foster that debate by publishing overall planning information for the entire Government, and by publishing a comparison of planned and actual results. For legislators to hold the Government fully accountable they need to know the Government's entire plan and its expected and actual performance.

2. Is the Government's revenue raising and spending increasing at a rate less than or greater than inflation?

   In the following graph, the percentage changes in revenues and in expenses are compared to the change in Saskatchewan's consumer price index (CPI) and its gross domestic product (GDP).

Graph 12

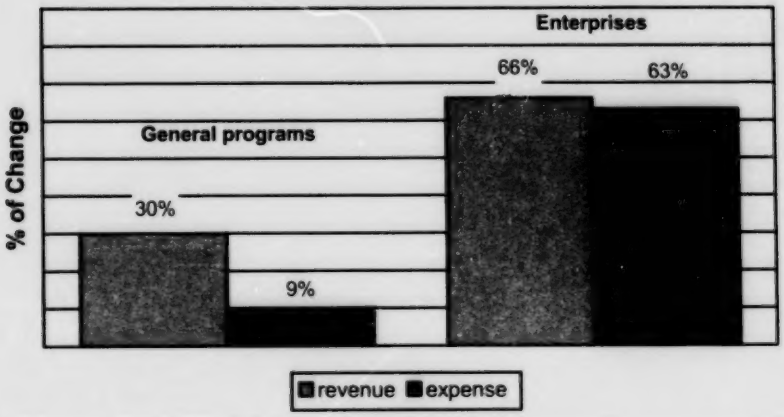
Percentage of Change (1991 to 2001)



3. Is the Government carrying out more activity in its Crown corporation enterprises[3]?

Graph 13

Percentage of Change (1991 to 2001)



From 1991 to 2001, general program revenues increased 30% and general program expenses increased 9%. In the same period, enterprise revenues increased 66% and their expenses increased 63%. These amounts are not adjusted for inflation.

More detailed information on trends in the Government's revenues and expenses is set out in Appendices 2A and 2B of this Report.

4. To what extent are the Government's financial results affected by the sale of its investments?

- In 1992, the Government recorded a $189 million loss from the sale of shares in Cameco.
- In 1996, the Government recorded a $615 million gain from the sale of shares of Cameco, LCL Cable, and ISM.
- In 1998, the Government recorded a $175 million gain from the sale of shares in Wascana Energy Inc. and the sale of the Bi-Provincial Upgrader.

[3] The Government's enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. They are included in Schedul e 3 to the summary financial statements (see page 60). These enterprises raise revenue through direct charges for goods and services.

- In 2000, the Government recorded a $69 million gain from the sale of its interests in Saturn Communications Limited and the Saskfor MacMillan Limited Partnership.

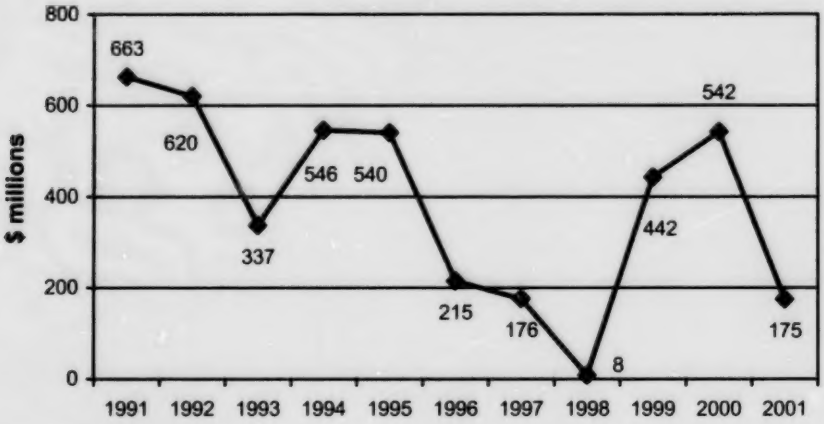
5. How are the Government's finances affected by transfers from the Federal Government for equalization?

The Saskatchewan Government has received transfers for equalization from the Federal Government for many years. The Federal Government calculates the amount of the transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies outside Saskatchewan.

The following graph shows the equalization transfer revenue recorded in the Government's summary financial statements from 1991 to 2001.

Graph 14

Equalization Transfer Revenue from 1991 to 2001



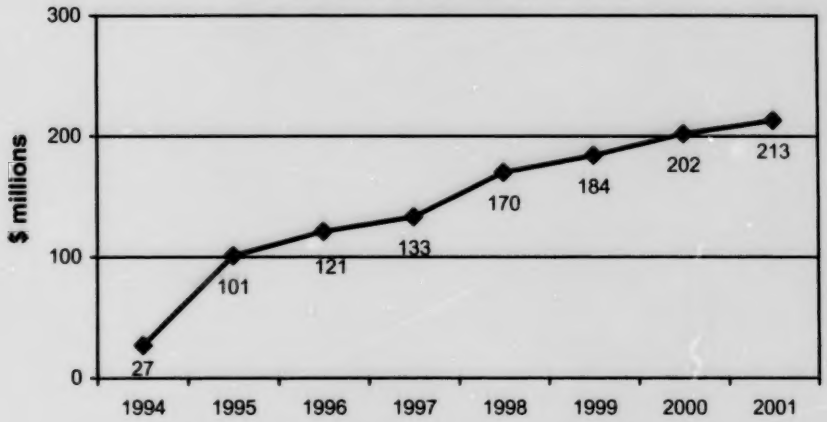
6. What impact have gaming operations had on the Government's finances?

The Government has earned net income from gaming since 1994. Net income is the amount of gaming revenues received by the Government after deducting expenses for gaming operations. In

1994, the net income from gaming was $27 million. Since then, net income from gaming has increased steadily as shown below.

Graph 15

Impact of gaming net income on the Government's finances



In Appendix 2B, gaming revenues and expenses are combined with liquor revenue and expenses. For example, for the year ended March 31, 2001, Appendix 2B shows total revenue and expenses from liquor and gaming of $698 million and $358 million respectively. Net income from liquor and gaming combined was $340 million.

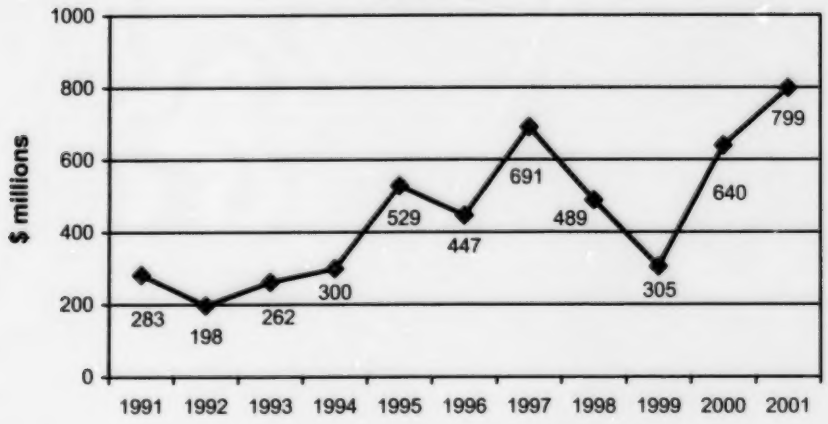
7. What impact have oil revenues had on the Government's finances?

Oil is traded on the world markets and the price fluctuates due to world supply and demand. In recent years, the price of oil has been subject to extreme price swings resulting in similar swings in the Government's oil revenues. For example, oil revenues reached $691 million in 1997 before falling to $305 million in 1999. Oil revenue then recovered to $640 million in 2000 before reaching a new high of $799 million in 2001. Such revenue swings are beyond the control of the Saskatchewan Government.

The impact of changes in oil and other natural resource royalties are significant to the Government's finances. However, the Federal Government deducts a substantial portion of oil and other natural resource royalties from amounts due to Saskatchewan for equalization.

Graph 16

Oil Revenue from 1991 to 2001



8. In which areas is the Government increasing or decreasing its revenue raising and spending?

Since 1991, there have been many changes to the revenue raising and spending practices of the Government. For example:

- Taxation revenue has increased by 60% from $2.0 billion to $3.2 billion, while GDP has increased by 54%;
- Revenue transfers from the Federal Government decreased from a high of $1.7 billion to $1.0 billion;
- Net income from Government enterprise Crown corporations increased from $0.4 billion to $0.7 billion;
- Agricultural expenses decreased from a high of $1.2 billion to $0.3 billion;
- Debt or interest costs decreased from a high of $1.3 billion to $0.9 billion;
- Educational expenses increased from $0.8 billion to $1 billion; and
- Health expenses increased from $1.7 billion to $2.2 billion.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2A of this Report.

9. To what extent has the Government delayed spending on maintenance and replacement of Saskatchewan's infrastructures of roads, dams, buildings, and energy and telecommunication systems?

The Government does not provide an overall report on the state of the public infrastructure and currently we do not have sufficient information to fully answer this question. In particular, we have insufficient information on the Government's infrastructure of roads and dams.

However, the Government provides information on the tangible capital assets of Government enterprises in Schedule 3 to the summary financial statements. Also, since 1998 the Government has provided information on the tangible capital assets of its government service organizations in the notes to the summary financial statements.

Since March 1997, the net book value of the Governments tangible capital assets has increased by approximately 1.5% (excluding roads and dams) from $6.7 billion to $6.8 billion.

10. Which items significantly affected the summary financial statements results for 2001?

Federal Government transfer revenue decreased by $524 million from last year. This was mainly due to a decrease in equalization revenue of $367 million and decreased transfer revenue for agriculture.

Non-renewable resources revenue increased by $350 million from last year mainly due to continued strength in oil and natural gas prices. In 2001, oil and gas revenue was $799 million and $239 million versus $640 million and $92 million in 2000 (see page 74 of Appendix 4 to this Report).

Agricultural expenses decreased by $371 million from last year. This was mainly due to the ending of programs to help farmers adjust to the impact of the elimination of the Crow Benefit on grain transportation rates and to provide agricultural income disaster assistance.

Interest costs decreased by $79 million from last year. This was mainly due to decreases in the Government's total outstanding debt and lower interest rates on the debt.

Education expenses increased by $118 million from last year due to increased funding for school boards and universities.

Finally, net income earned by Government enterprises increased by $90 million from last year (see page 60 of Appendix 4 to this Report).

11. How much debt and interest per capita do we have?

The debt per person has decreased from a high of $15,433 at March 31, 1995 to $13,125 at March 31, 2001. As the debt has declined, the annual interest cost per person has declined from a high of $1,321 to $929 at March 31, 2001. As noted earlier, a government's debt equals its total liabilities.

12. How much of the Government's debt of bonds and debentures owed to external markets is owed by Crown corporation enterprises?

At March 31, 2001, $3.0 billion (net of sinking funds) was owed by Crown corporation enterprises. For further information, please see page 70 of Appendix 4 to this Report.

13. How much of the Government's debt in bonds and debentures is payable in foreign currencies?

At March 31, 2001, the Government's debt in bonds and debentures was $8.8 billion (excluding sinking funds). Of this amount, $1.3 billion (excluding sinking funds) or 15% was payable in U.S. dollars.

14. Why do agriculture expenditures fluctuate so much?

Agriculture spending fluctuates depending on the state of the agriculture economy. The agriculture economy is dependent on prices for commodities that are traded in world markets and that are subject to world supply and demand. The agriculture economy is also affected by trading subsidies paid by foreign governments. Further, the state of the agriculture economy is also dependent on the weather.

In addition, large agriculture programs are often cost-shared with the Federal Government. These cost-share programs can be administered by the Federal Government or the Saskatchewan Government. The accounting for cost-share programs can have a significant impact on the amount recorded as agricultural expenses.

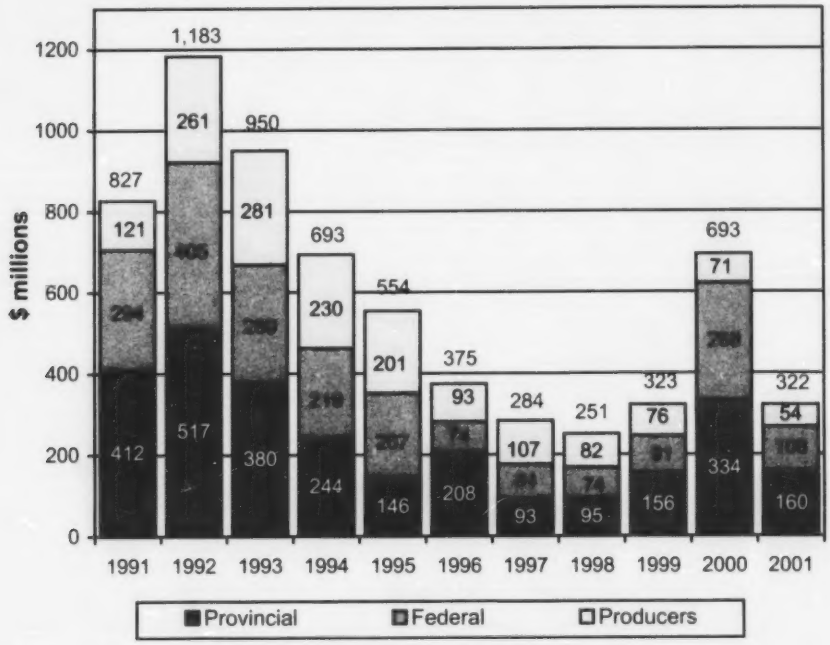
For example, if Saskatchewan administers the program, as is done with crop insurance, the Saskatchewan Government shows the total expenses for the program, even though some of the money to pay for the program came from the Federal Government and farmers. The money from the Federal Government and farmers shows up separately in the financial statements as revenue.

If on the other hand, as with the Agricultural Income Disaster Program (AIDA), Saskatchewan does not administer the program, but instead pays its share of the cost to the Federal Government (administrator), then the Saskatchewan Government shows only its share of the cost of the program as an expense.

The following graph shows how the Saskatchewan Government financed agricultural expenses for the past 11 years. However, the graph does not include significant Government support provided to the agriculture sector through tax concessions and rebates. For example, for the year ended March 31, 2001, the Government provided farm fuel tax rebates of $44 million to Saskatchewan farmers. These rebates are accounted for as a reduction in revenue.

Agricultural expenses decreased by $371 million from last year. This was mainly due to the ending of programs to help farmers adjust to the impact of the elimination of the Crow Benefit on grain transportation rates and to provide agricultural income disaster assistance.

Graph 17 **Financing Sources for Agriculture Expenses**



15. How much debt is guaranteed by the Government?

At March 31, 2001, the Government had guaranteed debt of $387 million. These guarantees relate to the debt of non-government organizations. For further information, see page 72 of Appendix 4 to this Report.

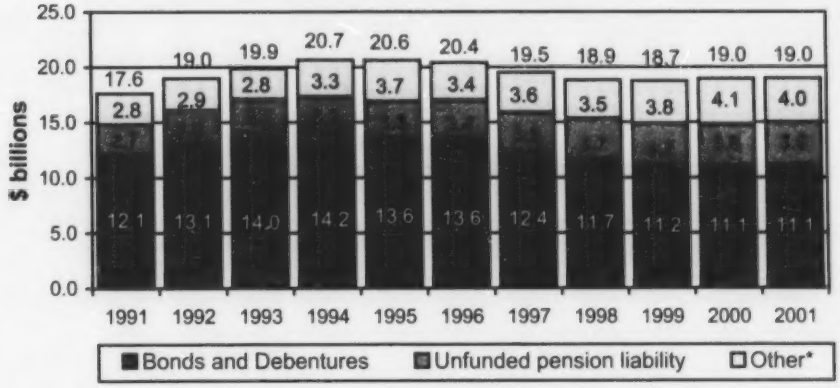
16. How much are the Government's total liabilities including Government enterprise Crown corporations?

Graph 18 shows the Government's total liabilities including Government enterprise Crown corporations from 1991 to 2001. The graph also shows a breakdown of these liabilities between bonds and debentures and other liabilities. Other liabilities include trade accounts payable, accrued interest, and unpaid claims for government insurance and workers' compensation programs.

Although the Government's total liabilities provides important information to understand the Government's financial condition, this report focuses on the Government's accumulated deficit which is a better indicator of a government's financial condition.

Graph 18

The Government's Liabilities including Government Enterprises as at March 31



* Excludes amounts owed by the GRF to the Liquor and Gaming Authority since they are not owed to non-government agencies (in millions: 2001 - $13, 2000 - $674, 1999 - $364, 1998 - $386, 1997 - $451, 1996 - $197, 1995 - $241, 1994 - $140, 1993 - $116, 1992 - $118, and 1991 - $70).

17. What are the total revenues and expenses of the Government's general programs and its Government enterprise Crown corporations?

This information is included in Appendix 2B. This information is important because it shows the total revenues and expenses of the entire government.

Appendix 2A – Other more detailed information

(Derived from the Government's summary financial statements)

(in $ millions)

	1991	1992	1993	1994
	(unaudited)			
Revenue				
General Programs				
Taxes	1,988	2,163	2,276	2,536
Federal government transfers	1,603	1,706	1,447	1,488
Non-renewable resources	423	323	393	453
Income from government enterprises	374	272	303	338
Other	932	952	948	775
Total Revenue	5,320	5,416	5,367	5,590
Expense				
General Programs				
Agriculture[1]	827	1,183	950	693
Community development	143	107	104	145
Debt charges (interest costs)	1,053	1,147	1,299	1,285
Economic development	86	125	81	79
Education	847	871	883	849
Environment and natural resources	184	20	87	151
Health	1,659	1,641	1,614	1,553
Protection of persons and property	262	274	248	178
Social services and assistance	446	507	547	550
Transportation	283	242	201	212
Other	270	969	199	148
Total Expense	6,060	7,086	6,213	5,843
Annual surplus (deficit)	(740)	(1,670)	(846)	(253)
Accumulated (deficit), beginning of year	(7,145)	(7,885)	(9,555)	(10,401)
Accumulated (deficit), end of year	(7,885)	(9,555)	(10,401)	(10,654)

[1] The Agriculture expense does not include significant Government support provided to the agriculture sector through tax concessions and rebates. Also, certain agriculture programs, such as Crop insurance, are cost-shared by the Saskatchewan Government. The above table represents Saskatchewan Government expenses for agricultural programs, plus the total expenses of the cost-shared programs administered by the Saskatchewan Government. The contributions by the Federal Government and producers, towards these cost-shared programs, are recorded as revenue by the Saskatchewan Government. Funding provided by the Federal Government in millions amounted to $108 for 2001, $288 for 2000, $91 for 1999, $74 for 1998, $84 for 1997, $74 for 1996, $207 for 1995, $219 for 1994, $289 for 1993, $405 for 1992, and $294 for 1991. Funding provided by producers in millions amounted to $54 for 2001, $71 for 2000, $76 for 1999, $82 for 1998, $107 for 1997, $93 for 1996, $201 for 1995, $230 for 1994, $281 for 1993, $261 for 1992, and $121 for 1991.

1995	1996	1997	1998	1999	2000	2001
2,643	2,854	3,125	3,116	3,155	3,224	3,203
1,512	1,046	853	675	1,088	1,553	1,029
718	673	907	781	622	943	1,293
356	561	547	591	698	574	664
899	1,260	791	983	784	909	924
6,128	6,394	6,223	6,146	6,347	7,203	7,113
554	375	284	251	323	693	322
160	158	148	152	160	158	176
1,338	1,305	1,224	1,175	1,111	1,026	947
79	108	118	77	97	89	127
874	828	853	855	886	901	1,019
116	192	142	119	202	168	149
1,622	1,623	1,682	1,761	1,931	2,174	2,223
187	195	190	203	230	262	266
584	588	586	700	747	785	783
228	236	248	273	272	273	303
202	212	191	212	260	256	292
5,944	5,820	5,666	5,778	6,219	6,785	6,607
184	574	557	368	128	418	506
(10,654)	(10,470)	(9,896)	(9,339)	(8,971)	(8,843)	(8,425)
(10,470)	(9,896)	(9,339)	(8,971)	(8,843)	(8,425)	(7,919)

Appendix 2B – Other more detailed information

(Derived from the Government's summary financial statements, this table presents information based on the model used in previous years' reports.)

(in $ millions)

	1991	1992	1993	1994
	(unaudited)			
Revenue				
General Programs				
Taxes	1,988	2,163	2,276	2,536
Federal government transfers	1,603	1,706	1,447	1,488
Non-renewable resources	423	323	393	453
Other	932	952	948	775
	4,946	5,144	5,064	5,252
Enterprises				
Energy (SaskPower & SaskEnergy)	1,010	1,016	1,066	1,164
Insurance[2]	536	556	574	625
Liquor and Gaming	297	293	291	327
Telecommunications (SaskTel)	574	569	629	630
Other	48	89	88	88
	2,465	2,523	2,648	2,834
Total Revenue	7,411	7,667	7,712	8,086
Expense				
General Programs				
Agriculture[3]	827	1,183	950	693
Community development	143	107	104	145
Debt charges (interest costs)	1,053	1,147	1,299	1,285
Economic development	86	125	81	79
Education	847	871	883	849
Environment and natural resources	184	20	87	151
Health	1,659	1,641	1,614	1,553
Protection of persons and property	262	274	248	178
Social services and assistance	446	507	547	550
Transportation	283	242	201	212
Other	270	969	199	148
	6,060	7,086	6,213	5,843
Enterprises[1]				
Energy (SaskPower & SaskEnergy)	866	871	908	1,015
Insurance[2]	480	545	586	618
Liquor and Gaming	189	183	178	186
Telecommunications (SaskTel)	527	518	549	544
Other	29	134	124	133
	2,091	2,251	2,345	2,496
Total Expense	8,151	9,337	8,558	8,339
Annual surplus (deficit)	(740)	(1,670)	(846)	(253)
Accumulated (deficit), beginning of year	(7,145)	(7,885)	(9,555)	(10,401)
Accumulated (deficit), end of year	(7,885)	(9,555)	(10,401)	(10,654)

[1] Total enterprises' expenses include interest costs in millions of $262 for 2001, $274 for 2000, $293 for 1999, $299 for 1998, $319 for 1997, $345 for 1996, $338 for 1995, $363 for 1994, $344 for 1993, $326 for 1992 and $344 for 1991.

[2] Enterprises carrying out insurance programs include Saskatchewan Government Insurance, Saskatchewan Auto Fund and the Workers' Compensation Board.

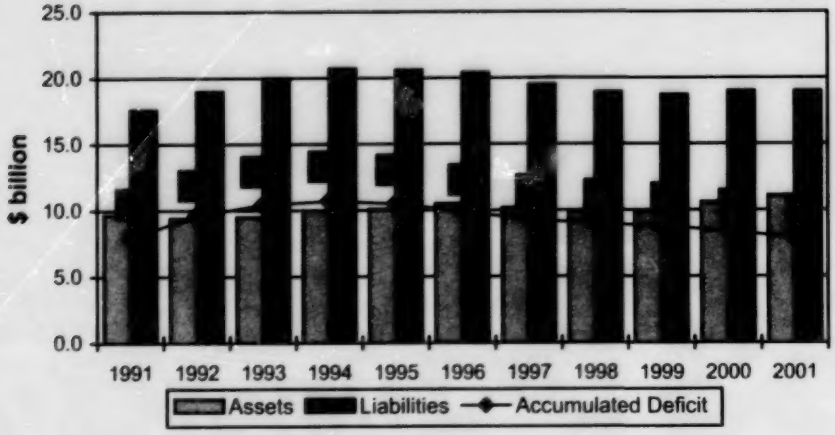
1995	1996	1997	1998	1999	2000	2001
2,643	2,854	3,125	3,116	3,155	3,224	3,203
1,512	1,046	853	675	1,088	1,553	1,029
718	673	907	781	622	943	1,293
899	1,260	791	983	784	909	924
5,772	5,833	5,676	5,555	5,649	6,629	6,449
1,225	1,240	1,365	1,276	1,333	1,382	1,626
657	713	785	835	868	892	947
431	473	511	569	639	677	698
629	775	700	727	755	776	802
95	33	13	10	27	10	9
3,037	3,234	3,374	3,417	3,622	3,737	4,082
8,809	9,067	9,050	8,972	9,271	10,366	10,531
554	375	284	251	323	693	322
160	158	148	152	160	158	176
1,338	1,305	1,224	1,175	1,111	1,026	947
79	108	118	77	97	89	127
874	828	853	855	886	901	1,019
116	192	142	119	202	168	149
1,622	1,623	1,682	1,761	1,931	2,174	2,223
187	195	190	203	230	262	266
584	588	586	700	747	785	783
228	236	248	273	272	273	303
202	212	191	212	260	256	292
5,944	5,820	5,666	5,778	6,219	6,785	6,607
1,075	1,102	1,152	1,104	1,156	1,232	1,456
744	708	782	750	771	864	875
207	230	256	273	325	345	358
531	583	616	687	662	708	705
124	50	21	12	10	14	24
2,681	2,673	2,827	2,826	2,924	3,163	3,418
8,625	8,493	8,493	8,604	9,143	9,948	10,025
184	574	557	368	128	418	506
(10,654)	(10,470)	(9,896)	(9,339)	(8,971)	(8,843)	(8,425)
(10,470)	(9,896)	(9,339)	(8,971)	(8,843)	(8,425)	(7,919)

[3] The Agriculture expense does not include significant Government support provided to the agriculture sector through tax concessions and rebates. Also, certain agriculture programs, such as Crop insurance, are cost-shared by the Saskatchewan Government. The above table represents Saskatchewan Government expenses for agricultural programs, plus the total expenses of the cost-shared programs administered by the Saskatchewan Government. The contributions by the Federal Government and producers, towards these cost-shared programs, are recorded as revenue by the Saskatchewan Government. Funding provided by the Federal Government in millions amounted to $108 for 2001, $288 for 2000, $91 for 1999, $74 for 1998, $84 for 1997, $74 for 1996, $207 for 1995, $219 for 1994, $289 for 1393, $405 for 1992, and $294 for 1991. Funding provided by producers in millions amounted to $54 for 2001, $71 for 2000, $76 for 1999, $82 for 1998, $107 for 1997, $93 for 1996, $201 for 1995, $230 for 1994, $281 for 1993, $261 for 1992, and $121 for 1991.

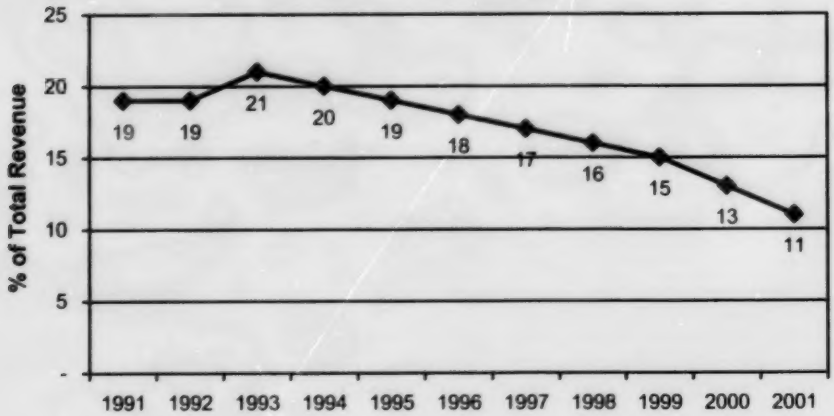
Appendix 2C – Graphs Based on the Previous Years' Model

This appendix provides the graphs included in this report on the same basis as the model used in previous reports. Where possible, the interprovincial comparisons are also included using this model.

Graph 19 **The Government's Accumulated Deficit as at March 31**

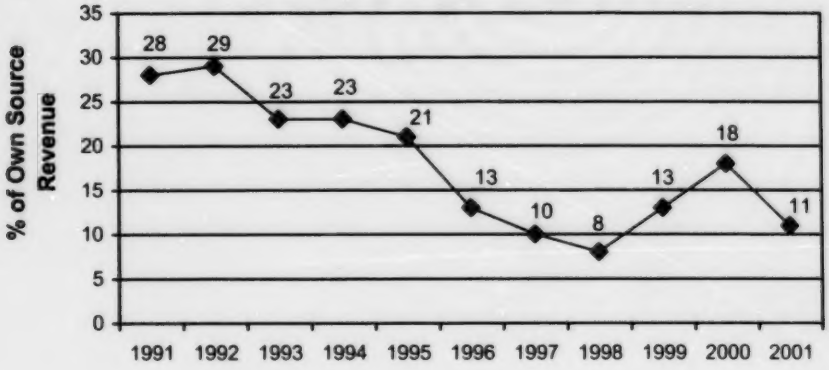


Graph 20 **The Government's Interest Costs as a % of Total Revenue**



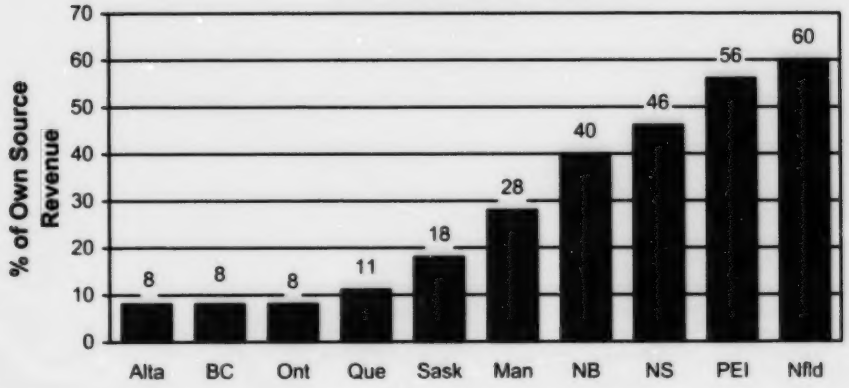
Graph 21

Federal Government Transfers as a % of Saskatchewan Government Own Source Revenue



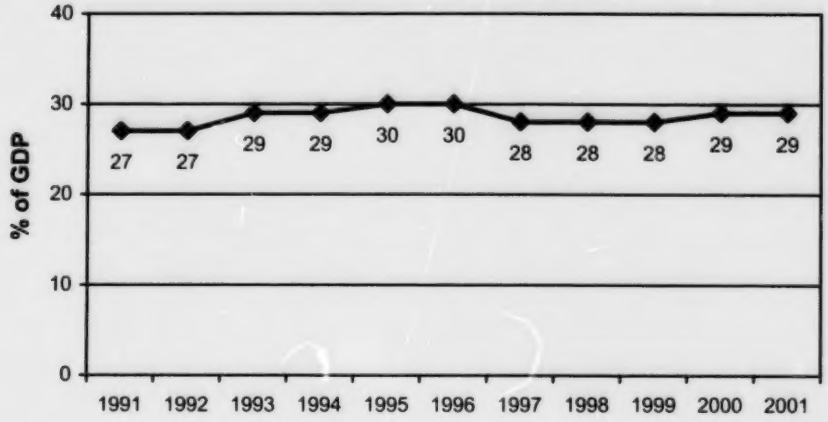
Graph 22

Interprovincial Comparison of Federal Transfers as a % of Own Source Revenue as at March 31, 2000



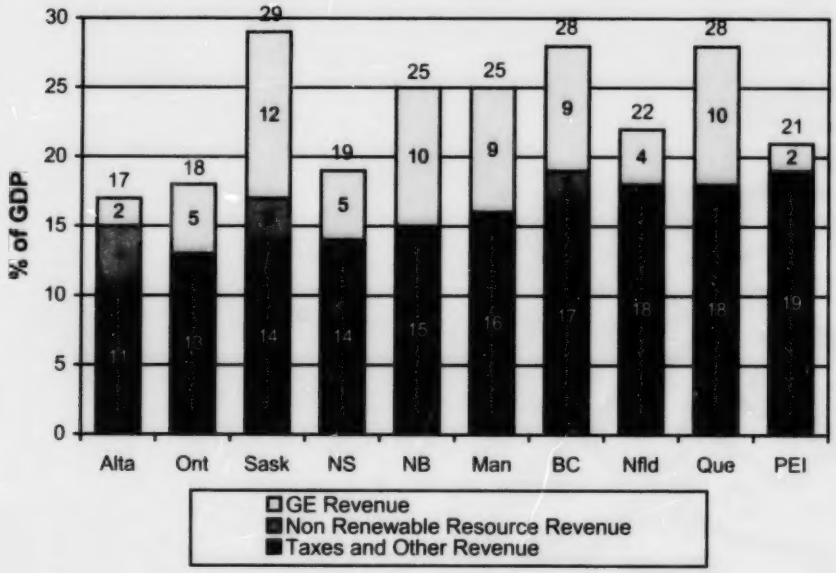
Graph 23

The Government's Own Source Revenue as a % of GDP



Graph 24

Interprovincial Comparison of Own Source Revenue as a % of GDP as at March 31, 2000



Appendix 3 – Proposed model for an overall Government financial plan

Note: This model does not include a Statement of Financial Assets, Liabilities, and Accumulated Deficit or a Statement of Cash Flow. The model should include these statements in a similar format to those currently presented by the Government in its summary financial statements. Also, the model should include key financial and economic indicators such as those included in this Report.

Estimated Government Surplus Overview

	($000's)
General Revenue Fund[4]	
Revenue	6,041,700
Expenditure	6,038,924
Surplus for the year	2,776
Net revenue/(expense) from Treasury Board Crown Corporations and Agencies[5]	XXX
Income from Government Enterprise Crown Corporations[5]	XXX
Government Surplus for the year	XXX

Estimated Government Accumulated Deficit

Accumulated Deficit, beginning of year	XXX
Government Surplus for the year	XXX
Accumulated Deficit, end of year	XXX

[4] See Saskatchewan Estimates - 2001-02, p.10
[5] Net of dividends paid and transfers from the General Revenue Fund

Estimated Government Surplus

	($000's)
General Revenue Fund surplus for the year	XXX
Net revenue/(expense) from Treasury Board Crown Corporations and Agencies[6]	
Agricultural Credit Corporation of Saskatchewan	XXX
Agri-Food Innovation Fund	XXX
CIC Industrial Interests Inc.	XXX
Crop Reinsurance Fund	XXX
Crown Investments Corporation of Saskatchewan (non-consolidated)	XXX
District Health Boards	XXX
Fiscal Stabilization Fund	XXX
Information Services Corporation of Saskatchewan	XXX
Milk Control Board	XXX
Northern Revenue Sharing Trust Account	XXX
Public Employees Disability Income Fund	XXX
Public Employees Group Life Insurance Fund	XXX
Saskatchewan Agricultural Stabilization Fund	XXX
Saskatchewan Cancer Foundation	XXX
Saskatchewan Crop Insurance Corporation	XXX
Saskatchewan Housing Corporation	XXX
Saskatchewan Institute of Applied Science and Technology	XXX
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	XXX
Saskatchewan Opportunities Corporation	XXX
Saskatchewan Property Management Corporation	XXX
Saskatchewan Student Aid Fund	XXX
Saskatchewan Water Corporation	XXX
Other	XXX
Net revenue/(expense)	XXX
Income from Government Enterprise Crown Corporations	
Municipal Financing Corporation of Saskatchewan	XXX
Saskatchewan Auto Fund	XXX
Saskatchewan Gaming Corporation	XXX
Saskatchewan Government Growth Fund Management Corporation	XXX
Saskatchewan Government Insurance	XXX
Saskatchewan Liquor and Gaming Authority	XXX
Saskatchewan Power Corporation	XXX
Saskatchewan Telecommunications Holding Corporation	XXX
SaskEnergy Incorporated	XXX
Worker's Compensation Board (Saskatchewan)	XXX
Income	XXX
Government Surplus for the year	XXX

[6] Net of dividends paid and transfers from the General Revenue Fund

Appendix 4 – The Government's 2000-01 summary financial statements

Government of Saskatchewan
Responsibility for Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to get reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements following the Government's stated accounting policies and using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations, agencies, and other funds to prepare these statements.

The Provincial Auditor expresses an independent opinion on these statements. His report states the scope of his audit and opinion and appears on the following page.

Treasury Board approves the Summary Financial Statements. The Minister of Finance tables the statements in the Legislative Assembly as part of the Public Accounts. The Legislative Assembly refers the Public Accounts to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.

Eric Cline
Minister of Finance

Paul Boothe
Deputy Minister of Finance

Terry Paton
Provincial Comptroller

Regina, Saskatchewan
June 2001

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the summary statement of financial assets, liabilities, and accumulated deficit of the Government of Saskatchewan as at March 31, 2001 and the summary statements of revenue, expenditure, and accumulated deficit and of cash flow for the year then ended. These financial statements are the responsibility of Treasury Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these summary financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for governments.

Regina, Saskatchewan
June 5, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Government of Saskatchewan
Summary Statement of Financial Assets, Liabilities, and Accumulated Deficit
As at March 31, 2001

(thousands of dollars)

Schedule		2001	2000 (Restated)
	Financial Assets		
	Cash and temporary investments (note 2)	$ 884,053	$ 794,687
	Prepaid expenditures	23,387	15,978
1	Accounts receivable	660,989	802,262
	Inventories held for resale	6,587	5,729
	Land held for resale (note 3)	128,894	130,980
	Deferred charges	65,947	42,480
	Deferred foreign exchange loss	234,326	162,074
2	Loans and mortgages receivable	142,229	159,679
3	Investment in government enterprises	2,458,377	3,055,582
4	Other investments	851,331	747,150
Total Financial Assets		5,456,120	5,916,601
	Liabilities		
5	Accounts payable and accrued liabilities	1,156,684	1,449,609
6	Other liabilities	60,404	721,535
	Unearned revenue	212,378	192,496
7,8 & 9	Public debt	8,032,557	8,176,819
	Pension liabilities (note 6)	3,912,647	3,801,046
Total Liabilities		13,374,670	14,341,505
Accumulated Deficit		$ (7,918,550)	$ (8,424,904)

(See accompanying notes)

Tangible capital assets (note 4)
Contingencies and commitments (notes 11 and 12)
10 Guaranteed debt

Government of Saskatchewan
Summary Statement of Revenue, Expenditure, and Accumulated Deficit
For the Year Ended March 31, 2001

Schedule		2001	2000 (Restated)
			(thousands of dollars)
	Revenue		
11	Taxation	$ 3,203,256	$ 3,223,784
11	Non-renewable resources	1,292,714	943,150
11	Other own-source revenue	923,743	908,981
11	Transfers from the federal government	1,028,823	1,553,575
Total Revenue		6,448,536	6,629,490
	Expenditure		
	Agriculture	321,524	692,655
	Community development	176,106	158,324
	Debt charges (note 8)	947,229	1,025,709
	Economic development	127,328	89,162
	Education	1,018,884	901,587
	Environment and natural resources	148,558	168,439
	Health	2,223,259	2,173,774
	Protection of persons and property	265,584	261,910
	Social services and assistance	782,481	785,054
	Transportation	302,904	273,232
	Other	292,401	255,620
Total Expenditure (note 9)		6,606,258	6,785,466
	Deficit from government service organizations	(157,722)	(155,976)
3	Income from government enterprises	664,076	574,414
Surplus for the Year		506,354	418,438
Accumulated deficit, beginning of year		(8,424,904)	(8,843,342)
Accumulated Deficit, End of Year (note 7)		$ (7,918,550)	$ (8,424,904)

(See accompanying notes)

Government of Saskatchewan
Summary Statement of Cash Flow

For the Year Ended March 31, 2001

(thousands of dollars)

Schedule		2001	2000 (Restated)
	Operating Activities		
	Surplus for the year	$ 506,354	$ 418,438
	Add (deduct) non-cash items		
3	Income from government enterprises	(664,076)	(574,414)
	Amortization of foreign exchange gains and losses	14,095	5,973
12	Gain on investments	(69,950)	(31,821)
	Provision for (reduction of) loan/mortgage losses	2,513	(14,958)
	Dividends received from investments	761	3,211
3	Dividends received from government enterprises	1,261,281	172,464
13	Net change in non-cash operating activities	(163,504)	(164,580)
	Cash Provided by (Used for) Operating Activities	887,474	(185,687)
	Investing Activities		
	Disposal of land held for resale	2,086	2,013
	Net decrease in loans and mortgages receivable	14,937	36,604
	Acquisition of other investments	(87,053)	(66,672)
	Disposition of other investments	52,060	112,050
	Increase in other investments, beginning of year (note 15)	-	(26,235)
	Cash (Used for) Provided by Investing Activities	(17,970)	57,760
	Financing Activities		
	Proceeds from public debt	1,423,242	1,349,994
	Repayment of public debt	(1,653,850)	(1,424,144)
	Increase in public debt, beginning of year (note 15)	-	89,932
	(Decrease) increase in pension and other liabilities	(549,530)	373,253
	Cash (Used for) Provided by Financing Activities	(780,138)	389,035
	Increase in cash and temporary investments	89,366	261,108
	Cash and temporary investments, beginning of year	794,687	533,579
	Cash and Temporary Investments, End of Year	$ 884,053	$ 794,687

(See accompanying notes)

Government of Saskatchewan
Notes to the Summary Financial Statements
For the Year Ended March 31, 2001

1. Significant Accounting Policies

These Summary Financial Statements are prepared using accounting principles appropriate for government and reflect the following significant accounting policies:

a) Reporting entity

These financial statements report the financial activities of organizations which are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislative Assembly and which are owned or controlled by the Government.

Trusts administered by the Government are excluded from the reporting entity.

A listing of organizations included in the reporting entity is provided in schedule 14. Unless otherwise noted, the financial activities of all subsidiaries of these organizations have also been included.

b) Method of consolidation

The accounts of all government organizations, except those designated as government enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described in note 1(c). These organizations are referred to as government service organizations. Significant inter-organization accounts and transactions are eliminated.

Government enterprises are defined as self-sufficient organizations that have the financial and operating authority to sell goods and services to individuals and non-government organizations as their principal activity.

Government enterprises are recorded using the modified equity method. The Government's investment, which is initially recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise without adjusting them to conform with the accounting policies described below. Inter-organization accounts and transactions are not eliminated.

Financial results of government organizations whose fiscal year-ends are not March 31 are not adjusted unless the effect of such an adjustment would be significant to the consolidated operating results.

c) Basis of accounting

The accrual basis of accounting is used and specifically expressed as follows:

Revenue

Revenues are recorded on the accrual basis except for receipts from the federal government for corporate and personal income taxes, which are recorded on the cash basis. Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met.

Expenditure

Expenditures are recorded on the accrual basis and include the cost of tangible capital assets and inventories of supplies acquired during the year. Government transfers are recognized as expenditures in the period during which the transfer is authorized and any eligibility criteria are met.

Assets

Financial assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

Temporary investments are recorded at cost which approximates market value.

Inventories held for resale are recorded at the lower of cost and net realizable value. ***Inventories of supplies*** are recorded as an expenditure in the period acquired.

Land held for resale is valued at the lower of cost or net realizable value, on an aggregate basis.

Deferred charges include issue costs and net discounts or premiums incurred on the issue of long-term debt. They are recorded at cost and amortized on a straight line basis over the remaining life of the debt issue.

Government of Saskatchewan
Notes to the Summary Financial Statements

Deferred foreign exchange loss includes net unrealized foreign exchange gains and losses resulting from the conversion of debentures due and sinking funds held in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at March 31. Realized foreign exchange gains and losses are included in the surplus or deficit for the year. Unrealized foreign exchange gains and losses are amortized on a straight line basis over the remaining life of the debt issue.

Loans and mortgages receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan or mortgage is written down to recognize the loss. Interest is recognized on the accrual basis except in some cases where collection is uncertain. In these cases, interest is recorded on the cash basis.

Other investments are made up of equity investments, portfolio investments, bonds, debentures and other advances, and property holdings. Equity investments include government business partnerships. Other investments are accounted for by various methods as described below and are written down to their fair value when there is evidence of a permanent decline in their value.

Equity investments exist when the Government holds shares of private or public companies and exercises significant influence but has less than a controlling interest or when the Government has shared control, as in government business partnerships. These investments are accounted for by the modified equity method. Using this method, the carrying value of the investment is adjusted for the Government's share of the investee's net earnings or losses and is reduced by dividends and partnership distributions received from these investments.

Government business partnerships are equity investments where there is a contractual arrangement between the Government and a party outside the reporting entity and where the partners share on an equitable basis the significant risks and benefits associated with operating the partnership. The partnership is a self-sufficient organization that has the financial and operating authority to sell goods and services to individuals and non-government organizations as its principal activity. Government business partnerships are recorded using the modified equity method.

Portfolio investments exist when the Government holds shares of private or public companies and the Government does not exercise significant influence. Portfolio investments are recorded at cost and dividends from these shares are recorded as income when receivable.

Bonds, debentures and other advances are recorded at amortized cost.

Tangible capital assets held by government service organizations are recorded as an expenditure in the period acquired. Capital assets held by government enterprises, as disclosed on schedule 3, are generally recorded at cost and amortized on a straight line basis over the estimated productive life of each asset.

Liabilities

Reported liabilities include obligations to outside organizations and individuals as a result of transactions and events occurring prior to year end. They are the result of financial obligations to repay borrowing or to pay for goods and services acquired prior to year end, and of revenue, received or receivable, where goods or services will be delivered in the future.

Unearned revenue is revenue that will be earned in a subsequent fiscal year and includes revenue for Crown mineral leases, licence and service fees and restricted funding from the federal government and other organizations.

Public debt consists of promissory notes, debentures and bank indebtedness of government service organizations which are recorded net of amounts reimbursable from government enterprises. Public debt is recorded at par. Premiums, discounts and issue costs are recorded as deferred charges and are amortized on a straight line basis over the remaining life of the debt issue.

Certain debenture issues require contributions to a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable. Premiums and discounts on long-term investments within the sinking fund are amortized by the type of security on a constant yield basis.

Debt issues and sinking funds' investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Where borrowing is used to finance loans to government enterprises, all expenses are charged directly to government enterprises.

Pension liabilities are calculated using the projected benefit method prorated on services. Pension fund assets are valued at market related values. Changes in the pension liabilities as a result of estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight line basis over the expected average remaining service life of the related employee group. Gains or losses as a result of plan amendments are recognized in the period of the plan amendment.

Guaranteed debt includes guarantees of the Government made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expenditure in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

Government of Saskatchewan
Notes to the Summary Financial Statements

2. Cash and Temporary Investments

Temporary investments are generally for less than 30 days and have an average effective interest rate of 5.0 per cent.

3. Land Held for Resale

The estimated net realizable value of the Government's land held for resale at March 31, 2001 is $218.4 million (2000 - $229.4 million).

4. Tangible Capital Assets

The Government has a significant investment in tangible capital assets that have a useful life of greater than one year. For government service organizations, tangible capital assets are recorded as an expenditure in the period acquired and are not included in the Statement of Financial Assets, Liabilities, and Accumulated Deficit. These assets are a key component in the delivery of government programs and provide on-going value to the public.

In the current year, government service organizations acquired tangible capital assets costing $168.6 million (2000 - $191.3 million). The following table includes the tangible capital assets held by government service organizations and does not include assets acquired by right, heritage assets and certain assets available for public use.

(thousands of dollars)

	2001							2000
	Land	Buildings	Machinery & Equipment	Vehicles	Capital Leases	Other[1]	Total	Total
Estimated useful life	*Indefinite*	*3 - 60 years*	*1 - 40 years*	*3 - 20 years*	*Varies*	*1 - 50 years*		
Opening cost	$76,980	$2,094,186	$709,390	$148,168	$67,970	$141,177	$3,237,871	$2,532,876
Adjustment to opening cost (note 15)	-	-	-	-	-	-	-	562,751
Reclassification[2]	-	10,872	52,639	(78,757)	5,175	10,071	-	-
Additions	1,019	44,051	59,186	8,282	627	55,404	168,569	191,250
Write-downs	(39)	(33,921)	(790)	-	-	(5,078)	(39,828)	(533)
Disposals	(169)	(1,940)	(27,312)	(6,784)	(4,277)	(12,341)	(52,823)	(48,473)
Closing cost of tangible capital assets	77,791	2,113,248	793,113	70,909	69,495	189,233	3,313,789	3,237,871
Opening accumulated amortization	-	682,345	474,160	75,437	40,031	57,952	1,329,925	953,899
Adjustment to opening accumulated amortization (note 15)	-	-	-	-	-	-	-	267,015
Reclassification[2]	-	-	22,024	(33,089)	3,419	7,646	-	-
Annual amortization	-	74,307	67,465	5,802	3,985	16,503	168,062	151,876
Write-downs	-	(30,801)	(659)	-	-	(1,268)	(32,728)	(465)
Disposals	-	(5,739)	(20,601)	(5,041)	(4,016)	(11,512)	(46,909)	(42,400)
Closing accumulated amortization	-	720,112	542,389	43,109	43,419	69,321	1,418,350	1,329,925
Net Book Value of Tangible Capital Assets	$77,791	$1,393,136	$250,724	$27,800	$26,076	$119,912	$1,895,439	$1,907,946

[1] Includes construction in progress, computer software, furniture and office equipment, aircraft and other tangible capital assets.
[2] Includes the reclassification of construction in progress completed during the period.

Government of Saskatchewan
Notes to the Summary Financial Statements

5. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty exists in these financial statements in the accrual of pension obligations, non-renewable resources royalties, site restoration obligations, accident claims obligations, the federal government's Equalization and Canada Health and Social Transfer payments, and in the valuation of loans where repayment is contingent upon an organization's cash flows. The uncertainty arises from factors such as the effect on accrued pension obligations of actual experience compared to actuarial estimations and assumptions; the effect on accrued royalties of price and production sensitivities in the royalty structures; the effect on site restoration obligations of actual experience compared to historical estimations and assumptions; the effect on accrued accident claims obligations of actual experience compared to actuarial estimations and assumptions; the effect on transfers from the federal government of changes in economic and demographic conditions in the Province and the country; and the effect of commodity prices on cash flows. Management considers that it is reasonably possible that changes in future conditions in the near term could require a material change in the amounts recognized. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

6. Pension Liabilities

The Government of Saskatchewan sponsors several defined benefit and defined contribution pension plans for a significant number of its employees and for members of the Legislative Assembly.

Defined benefit pension plans provide benefits based on length of service and pensionable earnings. A typical defined benefit pension plan provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their pension plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. These valuations are extrapolated by an actuary when a valuation is not done in the current fiscal year. Valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. The long-term inflation rate is estimated between 2.6 and 3.75 per cent. Other estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on actual market values averaged over a four year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long-term rates of return for the individual plans.

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government matches employee current service contributions.

Pension fund assets of government sponsored defined benefit and defined contribution pension plans are invested in fixed income securities, equities, real estate and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

a) Government Service Organizations

Defined benefit pension plans

The two main plans of government service organizations are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Members of the Legislative Assembly Superannuation Plan (MLA), Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan and the Saskatchewan Pension Annuity Fund, an annuity underwriting operation.

The TSP provides inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. Other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council.

The Government is required to match member current service contributions for all plans except Judges and the PSSP. Separate pension funds are maintained for all plans except the PSSP. PSSP member contributions are deposited into the General Revenue Fund. All pension obligations arising under the PSSP are paid from the General Revenue Fund.

Government of Saskatchewan
Notes to the Summary Financial Statements

Information on the defined benefit pension plans of government service organizations follows:

	2001				2000
	TSP	PSSP	Others	Total	Total
Plan status	closed	closed	closed[1]	n/a	n/a
Member contribution rate, percentage of salary	7.85	7.0 - 9.0[2]	5.0 - 9.0[2]	n/a	n/a
Number of active members	6,177	2,192	92	8,461	8,869
Average age of active members, years	49.3	51.4	54.8	49.9	48.6
Former members entitled to deferred pension benefits	6,994	157	11	7,162	16,555
Number of superannuates and surviving spouses	9,042	5,706	1,881	16,629	16,543
Member contributions (thousands of dollars)	$ 23,000	$ 6,245	$ 382	$ 29,627	$ 28,646
Government contributions (thousands of dollars)	50,000	–	4,803	54,803	94,802
Benefits paid (thousands of dollars)	208,385	91,977	6,568	306,930	291,762

[1] Judges is open to new membership, all other plans are closed.
[2] Contribution rate varies based on age upon joining the plan.

Based on the latest actuarial valuation, extrapolated to March 31, 2001, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below:

(thousands of dollars)

		2001					2000
Plan Name	Actuarial Valuation Date	Accrued Benefit Obligation	Pension Fund Assets	Net Obligation	Unamortized Estimation Adjustments[1]	Recorded Pension Liabilities	Recorded Pension Liabilities
TSP[2]	Jun. 30/99	$ 3,601,000	$ 1,605,000	$ 1,996,000	$ 565,028	$ 2,561,028	$ 2,508,353
PSSP	Sept. 30/99	1,526,619	–	1,526,619	(241,811)	1,284,808	1,230,486
Others	Various	201,922	121,642	80,280	(13,469)	66,811	62,207
Total		$ 5,329,541	$ 1,726,642	$ 3,602,899	$ 309,748	$ 3,912,647	$ 3,801,046

[1] Amortized to income over 1 - 13 years, the estimated average remaining service life of active plan members at the time the estimation adjustment arises.
[2] The TSP accrued benefit obligation includes a liability of $67.0 million (2000 - $63.0 million) relating to the TSP disability provision.

At March 31, 2001, the market value of plan investments was $2.0 billion (2000 - $2.0 billion). Of this amount, 42.4 per cent (2000 - 47.9 per cent), was invested in fixed income securities and 52.7 per cent (2000 - 48.4 per cent) in equity investments.

Defined contribution pension plans

The two main multi-employer defined contribution pension plans sponsored by the Government are the Public Employees Pension Plan (PEPP) and the Capital Pension Plan (Capital). The Government matches employee current service contributions to these plans. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP), sponsored by the Saskatchewan Teachers' Federation. The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution pension plans of government service organizations follows:

	2001				2000
	Government Sponsored				
	PEPP	Capital	STRP	Total	Total
Plan status	open	open	n/a	n/a	n/a
Member contribution rate, percentage of salary	5.0 - 5.75[1]	5.5	n/a	n/a	n/a
Government Service Organization participation:					
Number of active members	19,534	589	n/a	20,123	19,133
Number of inactive members	7,965	12	n/a	7,977	7166
Member contributions (thousands of dollars)	$ 32,226	$ 1,417	n/a	$ 33,643	$ 31,186
Government contributions (thousands of dollars)	31,635	1,516	$ 23,797	56,948	50,758

[1] Contribution rate varies based on employee group.

Government of Saskatchewan
Notes to the Summary Financial Statements

Pension expenditure

Pension expenditure for government service organizations is reported in the Summary Statement of Revenue, Expenditure, and Accumulated Deficit in both education expenditure and other expenditure. Pension interest expenditure is reported in debt charges. The total pension related expenditure of government service organizations includes the following:

	(thousands of dollars) 2001	2000
Defined benefit pension plans:		
Current period benefit cost	$ 77,828	$ 66,884
Amortization of estimation adjustments	(23,241)	(48,731)
	54,587	18,153
Employee contributions	(29,627)	(28,646)
Pension expenditure	24,960	(10,493)
Cost of financing unfunded pension obligation (pension interest expenditure)	227,176	240,584
Total pension related expenditure, defined benefit plans	252,136	230,091
Defined contribution pension plans:		
Total pension related expenditure, defined contribution plans	56,948	50,758
Total pension related expenditure	$ 309,084	$ 280,849

b) Government Enterprises

Defined benefit pension plans

The two main defined benefit pension plans of government enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other pension plans include Saskatchewan Government Insurance Superannuation Plan, Liquor Board Superannuation Plan, and the Workers' Compensation Board Superannuation Plan.

The Government contributes the amount necessary to fund the payment of pension benefits.

At December 31, 2000, the market value of plan investments was $1.6 billion (1999 - $1.6 billion). Of this amount, 43.5 per cent (1999 - 40.0 per cent) was invested in fixed income securities and 45.6 per cent (1999 - 48.6 per cent) in equity investments.

Information on the defined benefit pension plans of government enterprises follows:

	2001				2000
	SaskPower	SaskTel	Others	Total	Total
Plan status	closed	closed	closed	n/a	n/a
Member contribution rate, percentage of salary	6.0 - 9.0[1]	7.0 - 9.0[2]	6.5 - 9.0[2]	n/a	n/a
Number of active members	691	854	176	1,721	1,886
Number of former members, superannuates and surviving spouses	1,714	1,551	485	3,750	3,668
Member contributions (thousands of dollars)	$ 1,949	$ 2,858	$ 432	$ 5,239	$ 5,557
Government contributions (thousands of dollars)	546	–	1,969	2,515	1,650
Benefits paid (thousands of dollars)	37,949	42,672	7,719	88,340	79,601

[1] Contribution rate varies based on age upon joining the plan and employee group.
[2] Contribution rate varies based on age upon joining the plan.

Government of Saskatchewan
Notes to the Summary Financial Statements

Based on the latest actuarial valuations extrapolated to December 31, 2000, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below.

(thousands of dollars)

Plan Name	Actuarial Valuation Date	2001 Accrued Benefit Obligation	2001 Pension Fund Assets	2001 Pension (Surplus) Liability	2000 (Restated) Pension (Surplus) Liability
SaskPower	September 30, 2000	$ 630,433	$ 732,474	$ (102,041)	$ (73,907)
SaskTel	December 31, 1998	652,308	807,363	(155,055)	(150,118)
Others	Various	114,443	99,214	15,229	19,546
Total		$ 1,397,184	$ 1,639,051	$ (241,867)	$ (204,479)

Defined contribution pension plans

Information on the defined contribution pension plans of government enterprises follows:

	2001 PEPP	2001 Capital	2001 Total	2000 (Restated) Total
Plan status	open	open	n/a	n/a
Member contribution rate, percentage of salary	4.0 - 6.0[1]	5.5	n/a	n/a
Number of active members	7,531	1,976	9,507	9,548
Number of inactive members	2,401	59	2,460	2,129
Member contributions (thousands of dollars)	$ 15,176	$ 3,903	$ 19,079	$ 17,720
Government contributions (thousands of dollars)	19,062	3,798	22,860	21,395

[1] Contribution rate varies based on employee group.

Pension expense

Pension expense and pension interest expense for government enterprises are reported in the Summary Statement of Revenue, Expenditure, and Accumulated Deficit as a component of income from government enterprises.

7. Reserves

The accumulated deficit of $7,918.6 million consists of an unallocated deficit component of $7,930.5 million and the Environmental Protection Reserve of $11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

8. Debt Charges

(thousands of dollars)

	2001	2000
Total interest costs	$ 1,217,719	$ 1,305,840
Less interest reimbursed from Government Enterprises	(292,530)	(293,293)
Other costs	22,040	13,162
Total Debt Charges	$ 947,229	$ 1,025,709

Government of Saskatchewan
Notes to the Summary Financial Statements

9. Expenditure by Object

Expenditure by object is reported as follows:

(thousands of dollars)

	2001	2000
Transfers	$ 2,475,557	$ 2,663,937
Salaries and benefits	1,850,836	1,763,396
Operating costs	977,632	960,961
Debt charges	947,229	1,025,709
Tangible capital asset acquisitions	168,569	191,250
Other	186,435	180,213
Total Expenditure	$ 6,606,258	$ 6,785,466

10. Comparison of Planned to Actual Results

A comparison of planned to actual surplus is as follows:

(thousands of dollars)

	2001		2000
	Planned	Actual	Actual
General Revenue Fund surplus for the year	$ 9,414	$ 57,691	$ 83,479
Government enterprises' income for the year		664,076	574,414
Other government service organizations' surplus for the year		1,096,426	144,271
Dividends received from government organizations included in the surplus figures above		(1,261,281)	(297,464)
Adjustments to conform to the basis of accounting described in note 1(c)		(50,558)	(86,262)
Surplus for the Year		$ 506,354	$ 418,438

The planned and actual figures are before elimination of inter-organization transactions.

11. Contingencies

a) Guaranteed debt

At March 31, 2001, $386.7 million (2000 - $444.0 million) in loans were guaranteed by the Government. Schedule 10 provides a listing of guaranteed debt.

b) Lawsuits

Up to $53.3 million may be paid depending on the outcome of lawsuits in progress.

c) Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and believes they are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether or not the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

12. Commitments

Major financial commitments include:

- forward purchase commitments of $1,810 million for coal contracted for future minimum deliveries valued at current prices;
- forward purchase commitments of approximately $1,920 million for power over the next 24 years;

Government of Saskatchewan
Notes to the Summary Financial Statements

- treaty land entitlement agreement commitments valued at approximately $85.9 million;
- other commitments of $811.3 million which include commitments of $28.7 million for agriculture, $14.8 million for community development, $42.6 million for economic development, $56.0 million for education, $63.8 million for health, $11.9 million for protection of persons and property, $127.2 million for social services and assistance, and $104.1 million for transportation; and,
- capital and operating lease obligations as follows:

(thousands of dollars)

	Operating	Capital
Future minimum lease payments		
2001-02	$ 48,923	$ 12,097
2002-03	47,488	11,773
2003-04	41,906	11,207
2004-05	36,596	10,662
2005-06	34,346	9,257
Thereafter	27,308	43,338
	236,567	98,334
Less: Interest and executory costs	-	(50,773)
Total Lease Obligations	$ 236,567	$ 47,561

Total operating lease obligations include $157.6 million for government service organizations and $79.0 million for government enterprises.

Total capital lease obligations relate entirely to government service organizations (schedule 5).

13. Trust Funds

Trust funds are property held and administered on behalf of beneficiaries. Trust assets are not owned by the Government and the Government has no equity in the funds. Therefore, trust funds are not included in the reporting entity.

Fund balances held and administered by the Government at March 31, 2001, were as follows:

(thousands of dollars)

	2001	2000
Superannuation funds and pensions plans[1]	$ 8,086,125	$ 7,668,218
Public Trustee's Trust Account	135,357	143,860
Other trusts	39,543	41,690
Total Trust Funds	$ 8,261,025	$ 7,853,768

[1] The balance reflects the latest financial statements of the funds and plans closest to March 31, 2001.

14. Comparative Figures

Certain of the 2000 comparative figures have been reclassified to conform with the current year's presentation.

15. District Health Boards

The inclusion of the additional 29 District Health Boards in the reporting entity during 1999-2000 resulted in the adjustment of certain opening balances for that year.

Government of Saskatchewan
Schedules to the Summary Financial Statements

For the Year Ended March 31, 2001

Schedule 1 - Accounts Receivable

(thousands of dollars)

	2001	2000
Taxation	$ 142,254	$ 126,662
Non-renewable resources	119,715	103,379
Transfers from the federal government	64,506	284,234
Leases and farm loans	12,543	14,557
Insurance premiums due from agriculture producers	6,498	9,581
Accrued interest	4,484	6,823
Other	310,989	257,026
Total Accounts Receivable	$ 660,989	$ 802,262

Schedule 2 - Loans and Mortgages Receivable

(thousands of dollars)

	2001	2000
Agricultural Loans		
Capital loan program	$ 79,552	$ 92,687
Short-term hog loan program	6,030	11,235
Production loan program	2,526	3,254
Counselling and Assistance for Farmers program	1,832	2,149
Livestock cash advance program	1,517	2,324
Other	749	1,020
	92,206	112,669
Provision for losses	(37,336)	(39,449)
	54,870	73,220
Student Loans	9,348	13,926
Provision for losses	(6,430)	(9,256)
	2,918	4,670
Other Loans	70,604	63,977
Provision for losses	(26,954)	(23,956)
	43,650	40,021
Mortgages		
Cornwall Centre	36,050	36,891
Housing	4,505	4,628
Other	236	249
	40,791	41,768
Total Loans and Mortgages Receivable	$ 142,229	$ 159,679

See page 57 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 2 (continued) - Loans and Mortgages Receivable

Capital loan program

Loans are repayable over terms not exceeding twenty-five years and bear interest at rates between 6.0 per cent and 13.5 per cent. Security on individual loans varies and may include mortgages on real property, security agreements and guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Short-term hog loan program

Loan applications were accepted under this program between January 15, 1999 and July 5, 1999 for hogs marketed between November 1, 1998 and May 29, 1999. The loans are repayable, at floating interest rates, in full by March 31, 2003. Penalty interest is charged at prime plus 2 per cent. The program operates under *The Farm Financial Stability Act*.

Production loan program

Production loans were disbursed in 1986 bearing interest at 6 per cent repayable in equal principal instalments over a term of three years. Amounts in arrears are at prime plus 2 per cent. Program amendments allowed borrowers to reschedule their outstanding loans at an average rate of 9.0 per cent. The loans are secured by promissory notes and, where applicable, by guarantees and general security agreements. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Counselling and Assistance for Farmers program

Effective August 1, 1992, the Government no longer issued new guarantees under this program. Existing guarantees were renewed until March 31, 1995, at which time the program was terminated. The majority of loans are in default, have judgements obtained on them and bear interest at 5 per cent. The loans are secured by way of an assignment of security from the original lender. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Livestock cash advance program

Effective August 1, 1993, clients with livestock cash advances began repaying their loans, bearing interest at the bank prime rate plus 2 per cent, over a maximum five-year period. Program amendments allowed borrowers to reschedule their outstanding loans at an average rate of 9.0 per cent. The loans are secured by promissory notes and, where applicable, by guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

Student loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest-free until the discontinuance of full-time studies or graduation. Interest rates are prescribed by the Minister of Post-Secondary Education and Skills Training. Special incentive loan remission grants, student bursaries and/or study grants are available to students who meet specific criteria.

A Risk Sharing Student Loans Agreement between the Government and a bank was signed in March 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Government retains responsibility for loan approval. Loans approved are lender-financed, disbursed, managed and collected by the bank. The Government pays a risk premium of 5 per cent to the bank when loans become repayable.

An agreement between the Government and a bank that was in effect from October 1, 1997 to December 31, 1999, allowed the Government to transfer all loans which were not in default, had more than seven monthly payments outstanding and were not receiving interest relief. As a part of the agreement, the Government paid a risk premium of 5 per cent to the bank when the loans transferred.

Cornwall Centre mortgages

The Government holds two mortgages due jointly from Cadillac Fairview Corporation Limited and 1381052 ONTARIO INC. These mortgages mature December 1, 2001 and are repayable in blended monthly installments with mortgage rates of 9.63 per cent and 11.63 per cent respectively.

Housing mortgages and loans

Housing mortgages and loans were provided pursuant to provisions of Section 15 of *The Saskatchewan Housing Corporation Act*. The loans and mortgages are repayable, at various interest rates, over terms not exceeding thirty-five years. Security on the loans and mortgages may include promissory notes or charges against residential property.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 3 - Investment in Government Enterprises

		SaskEnergy Incorporated Dec. 31, 2000	Saskatchewan Power Corporation Dec. 31, 2000	Saskatchewan Telecom-munications Holding Corporation Dec. 31, 2000	Saskatchewan Liquor and Gaming Authority Mar. 31, 2001	Saskatchewan Gaming Corporation Mar. 31, 2001
Assets						
Cash and temporary investments						
Due from government organizations	$				12,925	
Other		1,176	68,266	(8,737)	2,707	14,669
Accounts receivable						
Due from government organizations						
Other		178,942 [5]	153,144	103,996	17,901	319
Inventories			104,870	10,204	14,593	155
Prepaid expenses		5,057	1,897	12,946	1,813	474
Long-term investments						
In the Province						
Other		7,493		81,517		
Capital assets		1,010,476	2,878,811	904,560	31,818	32,026
Other assets						
Due from government organizations						
Other		77,520	124,871	123,696	557	
Total Assets		**1,280,664**	**3,331,859**	**1,228,182**	**82,314**	**47,643**
Liabilities						
Accounts payable and accrued liabilities						
Due to government organizations		20,438	50,467	6,361		
Other		132,730	154,414	94,323	12,368	4,841
Dividends payable to government organizations		7,410	16,872	30,297	46,012	22,709
Debt						
Owing to government organizations		712,677	1,570,799	408,415		
Other		4,816	106	5,536		20,093
Unearned revenue						
Received from government organizations		2,323				
Other		92,393	291,395	26,311		
Unpaid insurance claims						
Other liabilities				313	23,934	
Total Liabilities		**972,787**	**2,084,053**	**571,556**	**82,314**	**47,643**
Net Assets (Liabilities)	**$**	**307,877**	**1,247,806**	**656,626**	**-**	**-**
Revenue						
Revenue from operations	$	505,993	1,092,528	764,804	634,913	63,342
Transfers from government organizations		11,891	16,024	14,212		
Total Revenue		**517,884**	**1,108,552**	**779,016**	**634,913**	**63,342**
Expenses						
Expenses from operations		386,102	778,328	652,990	316,854	40,633
Transfers to government organizations		87,358	204,526	52,123		
Total Expenses [3]		**473,460**	**982,854**	**705,113**	**316,854**	**40,633**
Income (loss) before non-recurring items		44,424	125,698	73,903	318,059	22,709
Non-recurring items [4]				23,074		
Net Income (Loss) for the Year		**44,424**	**125,698**	**96,977**	**318,059**	**22,709**
Retained earnings (deficit) - beginning, as previously reported		216,322	531,248	396,928	699,094	
Restatement of prior years					(941)	
Dividends to government organizations		(24,400)	(69,133)	(87,279)	(1,016,212)	(22,709)
Retained earnings (deficit) - end of year		236,346	587,813	406,626	-	-
Equity advances/share capital		71,531	659,993	250,000		
Net Assets (Deficiency) - End of Year	**$**	**307,877**	**1,247,806**	**656,626**	**-**	**-**

See page 60 for additional information

[1] Adjustments include
- reclassifying dividends paid by March 31, 2001, and
- reversing the loss recognized by Municipal Financing Corporation for a premium paid on an exchange of debt with the General Revenue Fund and amortizing this same loss over the term of the original debt issues

[2] Net assets are restricted as disclosed in the narrative portion of this schedule on the pages following

[3] Total expenses include debt charges, net of sinking fund earnings, of $262.3 million (2000 - $274.2), of which $251.2 million (2000 - $255.2) was paid to government organizations

(thousands of dollars)

Municipal Financing Corporation of Saskatchewan Dec. 31, 2000	Saskatchewan Government Insurance Dec. 31, 2000	Saskatchewan Auto Fund Dec. 31, 2000	Workers' Compensation Board (Saskatchewan)[2] Dec. 31, 2000	Saskatchewan Government Growth Fund Management Corporation Dec. 31, 2000	Adjustments [1]		Total 2001		Total 2000 (Restated)
							12,925	$	673,570
46,128	16,051	80,091	48,490	866	(56,349)		213,358		213,851
	2,019	2,454					4,473		6,679
	36,621	66,335	18,306	2,238			577,802		421,611
2,396							132,218		113,879
	33,475	15,874					71,536		71,656
	3,726	9,959	6,273				19,958		15,133
29,120	229,448	589,212	800,697	4,590			1,742,077		1,630,693
	13,912	31,450	27,581	16			4,930,650		4,915,530
							-		-
					25,532		352,176		301,145
77,644	**335,252**	**795,375**	**901,347**	**7,710**	**(30,817)**		**8,057,173**		8,363,747
2,199	7,974	23,443	6,607				117,469		125,247
31	11,407	13,159	74,821	867			498,961		359,393
	1,770				(56,349)		68,721		19,816
59,575					12,596		2,764,062		2,758,606
2,500							33,051		38,326
							2,323		2,473
	92,300	188,796					691,195		667,459
	125,470	586,848	599,926				1,312,244		1,239,727
	3,502		83,001				110,750		97,118
64,305	**242,423**	**812,246**	**764,355**	**867**	**(43,753)**		**5,598,796**	$	5,308,165
13,339	**92,829**	**(16,871)**	**136,992**	**6,843**	**12,936**	$	**2,458,377**	$	3,055,582
6,068	195,387	517,839	217,862	2,706		$	4,001,442	$	3,641,259
		3,057	12,585				57,769		56,128
6,068	**195,387**	**520,896**	**230,447**	**2,706**	**-**		**4,059,211**		3,697,387
403	166,607	445,011	183,144	11,219	2,834		2,984,125		2,713,727
9,788	7,060	30,622	6,607				398,084		389,249
10,191	**173,667**	**475,633**	**189,751**	**11,219**	**2,834**		**3,382,209**		3,102,976
(4,123)	21,720	45,263	40,696	(8,513)	(2,834)		677,002		594,411
-			(36,000)		-		(12,926)		(19,997)
(4,123)	**21,720**	**45,263**	**4,696**	**(8,513)**	**(2,834)**		**664,076**		574,414
17,462	57,657	(62,134)	132,296	15,355	14,822		2,019,050		1,617,100
					941		-		-
	(41,548)						(1,261,281)		(172,464)
13,339	37,829	(16,871)	136,992	6,842	12,929		1,421,845		2,019,050
	55,000			1	7		1,036,532		1,036,532
13,339	**92,829**	**(16,871)**	**136,992**	**6,843**	**12,936**	$	**2,458,377**	$	3,055,582

[1] Non-recurring items include:

- a $14 million gain on sale of one-third of the Government's 2.9% investment in Austar United Communications Limited, an $8 million gain on sale of the Government's 29.9% investment in Regional Cable TV (Western) Inc., and a $1 million gain on the deemed disposition of 3% of the Government's interest in Soft Tracks Enterprise Ltd. Each investment is held by Saskatchewan Telecommunications Holding Corporation; and
- $36 million in rebates provided by the Workers' Compensation Board (Saskatchewan) to qualified employers.

[2] Included in this amount is a Gas Cost Variance Account of $26.1 million. This account accumulates differences between forecast and actual gas costs expected to be recovered from customers. Subsequent to year end, it was determined that rates would not be sufficiently increased to recover the amounts accumulated in the account. Therefore, during 2001, SaskEnergy will absorb the May 31, 2001 balance in the Gas Cost Variance Account of approximately $80 million.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 3 (continued) - Investment in Government Enterprises

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy promotes, transports, stores and distributes natural gas in Saskatchewan.

Saskatchewan Power Corporation (SaskPower)

SaskPower generates, purchases, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of voice, data, Internet, wireless, text and image products, systems and services. Through interconnection agreements with other Canadian telecommunication companies, SaskTel is part of the national and global communications network.

Saskatchewan Liquor and Gaming Authority (SLGA)

SLGA's main functions are to control the manufacturing and distribution of beverage alcohol throughout the Province, to oversee the licensing of all establishments selling alcohol in the Province, and to maintain the integrity of all licensed gaming while ensuring maximum benefit to Saskatchewan charities.

Saskatchewan Gaming Corporation (SGC)

SGC's mandate is to manage and operate Casino Regina.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Saskatchewan Government Insurance (SGI) & Saskatchewan Auto Fund (Auto Fund)

SGI's competitive general insurance business, SGI CANADA, offers home, tenant, farm, automobile extension and commercial coverages.

The Auto Fund, the Province's compulsory vehicle insurance program, is administered by SGI on behalf of the Government. Any net assets of the Auto Fund are for the future benefit of Saskatchewan's motoring public and are not used for the payment of dividends to the General Revenue Fund.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation insurance to Saskatchewan workers and employers. Any net assets of the WCB cannot be used for the payment of dividends to the General Revenue Fund.

Saskatchewan Government Growth Fund Management Corporation (SGGF)

SGGF participates in the federal government's Immigrant Investor Program to acquire lower cost capital for investment in Saskatchewan on commercial terms. Investment funds are raised through eight subsidiary fund companies and are managed by SGGF with the assistance of a fund manager.

After March 1999, SGGF declined to participate further in the Immigrant Investor Program. The existing fund companies will continue to raise capital through existing subscription requirements and will require management by SGGF for at least the next six years.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 - Other Investments

(thousands of dollars)

	Partnership Interest / Voting Percentage	2001	2000 (Restated)
Equity Investments			
Government Business Partnerships			
Centennial Foods Partnership			
partnership interest	35.0%	$ 19,939	$ -
Foragen Technologies Limited Partnership			
partnership interest	33.3%	3,000	-
NewGrade Energy Inc.			
100 (2000 - 100) Class Y participating common shares	50.0%	(4,804)	(56,613)
Meadow Lake Pulp Limited Partnership			
partnership interest	50.0%	(33,629)	(51,802)
Other Equity Investments			
Saskferco Products Inc.			
68,449,080 (2000 - 68,449,080) Class B common shares	49.0%	106,079	103,014
Other		32,088	16,691
		122,673	11,290
Portfolio Investments			
Cameco Corporation			
5,423,123 (2000 - 5,423,123) common shares	9.8%	114,898	114,898
HARO Financial Corporation			
68,000,000 (2000 - 68,000,000) Class B non-voting common shares	-	68,000	68,000
Other		16,878	12,836
		199,776	195,734
Bonds, Debentures and Other Advances			
HARO Financial Corporation		162,666	204,740
Meadow Lake Pulp Limited Partnership		148,361	148,361
NewGrade Energy Inc.		21,679	18,421
Other		58,856	53,930
		391,562	425,452
Property Holdings		137,320	114,674
Total Other Investments		$ 851,331	$ 747,150

See pages 62-64 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Centennial Foods Partnership (Centennial)

On August 29, 2000, the Government, through its wholly-owned subsidiary CIC Foods Inc., purchased a 35 per cent interest in Centennial. Under the terms of the partnership agreement, Centennial 2000 Inc., which holds a 65 per cent interest in Centennial, transferred operating assets and liabilities to the partnership at estimated fair market value, resulting in a net capital contribution of $37.1 million. The Government injected cash of $20.0 million for its 35 per cent interest in the partnership.

These financial statements include the operating results of Centennial from August 29, 2000 to its year end of October 29, 2000.

Foragen Technologies Limited Partnership (Foragen)

On October 13, 2000, the Government, through its wholly-owned subsidiary 101012875 Saskatchewan Ltd., entered into a partnership agreement with Royal Bank Ventures Inc. and SGF Soquia Inc. The Government owns 33.3 per cent of Foragen and has committed to providing $14.0 million in equity to Foragen over the next five years. At December 31, 2000, the Government had provided $3.0 million of this commitment.

NewGrade Energy Inc. (NewGrade)

The Government owns 50 per cent (1999 - 50 per cent) of the outstanding voting participating shares of NewGrade. The Government also holds certain promissory notes due on demand from NewGrade that bear interest at Bank of Montreal prime rate, which was 7.50 per cent at December 31, 2000 (1999 - 6.50 per cent).

In addition, should there be any operating shortfall at the end of any year, the Government will loan NewGrade up to $2.0 million, escalated by inflation, in the form of a Subordinated Operations Fee Amount after Consumers' Co-operative Refineries Limited (CCRL) has provided its $2.0 million Subordinated Operations Fee Amount. If these loans do not cover all cash shortfalls, then the Government will lend NewGrade up to $4.0 million as a Cash Flow Deficiency Loan on a pro-rata basis with CCRL. If this facility is exhausted, the Government will lend NewGrade the remainder to cover any other annual operating shortfalls. These loans, if any, will bear interest at CCRL's rate of borrowing. CCRL's required Cash Flow Deficiency Loans cannot exceed $40.0 million outstanding at any time.

During 2000, the Government provided $3.3 million (1999 - $18.4 million) to NewGrade under these agreements.

Meadow Lake Pulp Limited Partnership (MLPLP)

The Government, through its wholly-owned subsidiary CIC Pulp Ltd., owns a 50 per cent (1999 - 50 per cent) interest in MLPLP.

In addition to its equity interest in MLPLP, the Government has also provided the following loans:

- Participating Debenture of $99.0 million (1999 - $99.0 million) bearing interest at 11.15 per cent (1999 - 11.15 per cent) calculated on October 31 of each year.
- Term Loan of $20.0 million (1999 - $20.0 million) bearing interest at prime plus 2.0 per cent, which was 9.5 per cent at December 31, 2000 (1999 - 8.5 per cent). Interest on this loan is being paid monthly.
- Contingency Loan of $10.9 million (1999 - $10.9 million) bearing interest at prime plus 1.0 per cent, which was 8.5 per cent at December 31, 2000 (1999 - 7.5 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance.
- Guarantee Advance of $8.0 million (1999 - $8.0 million) bearing interest at prime plus 1.0 per cent, which was 8.5 per cent at December 31, 2000 (1999 - 7.5 per cent).
- Cash Flow Loan of $10.5 million (1999 - $10.5 million) bearing interest at prime plus 1.0 per cent, which was 8.5 per cent at December 31, 2000 (1999 - 7.5 per cent).

The Government records, as a separate loan (Interest Loan), the accrued interest receivable from the Participating Debenture. Interest on the Interest Loan, at 11.15 per cent, is calculated on October 31 of each year and is added to the principal balance outstanding on the loan. Interest income earned and forming part of the Interest Loan is recorded as deferred interest income due to the uncertainty of collection. The deferred interest income will be recorded as income when payments are received under the cash availability formula.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Any payments to be made on the Participating Debenture, the Contingency Loan and the Interest Loan are subject to available cash flows as defined in the loan agreements. Payments towards principal outstanding on the Term Loan are due in two equal instalments after MLPLP has fully repaid an external bank loan. The Contingency Loan, Term Loan, Participating Debenture and Interest Loan mature in 2014. The remaining balance outstanding on the Interest Loan and Participating Debenture on October 31, 2014 shall bear interest at a rate equal to the short-term cost of borrowing for the Province of Saskatchewan, which at December 31, 2000 was 5.63 per cent (1999 - 5.02 per cent), until paid in full.

During 2000, the Government continued to work with MLPLP's other major lender to financially restructure MLPLP. This restructuring began in 1998 with the Government providing MLPLP with an $8.0 million advance under a bank loan guarantee and providing cash flow funding of $5.0 million. Similar to the Participating Debenture and Interest Loan, accrued interest on the Guarantee Advance and Cash Flow Loan is deferred due to the uncertainty of collection. Repayment terms will be determined once the financial restructuring of MLPLP is complete.

The total deferred interest is $275.5 million (1999 - $229.7 million).

Due to the uncertainty of cash flows from MLPLP, the Government's Participating Debenture is shown net of a provision for loan losses of $60.0 million (1999 - $60.0 million).

Saskferco Products Inc. (Saskferco)

The Government holds a 49 per cent (1999 - 49 per cent) voting interest in Saskferco.

Cameco Corporation (Cameco)

At December 31, 2000, the Government owned 5,423,123 (1999 - 5,423,123) voting common shares of Cameco representing a 9.8 per cent (1999 - 9.5 per cent) interest. Included in the investment in Cameco is one Class B share which provides the Government with the ability to exercise special voting rights with respect to the location of Cameco's head office.

The market value of Cameco shares at March 31, 2001 is $169.5 million (2000 - $80.8 million).

HARO Financial Corporation (HARO)

To December 31, 2000, the Government had advanced $273.0 million (1999 - $272.7 million) to HARO to finance its ownership interest in Crown Life Insurance Company (Crown Life). In 1995, the Government exercised its right to convert $68.0 million of these advances into 68,000,000 non-voting, fully participating equity shares of HARO.

The loan was for an initial five-year term with a maximum of four five-year renewal terms at the option of HARO. In 1998, the Government agreed to renew this loan for a second five-year term. Annual interest rates on the loan are fixed at the start of each renewal term. For the second five-year term, the interest rate on the loan is 6.64 per cent compounded annually.

Security for the loan is 100 per cent of HARO's assets, which as of December 31, 2000 consisted primarily of HARO's 64.5 per cent interest in Crown Life shares. In 1999, the Canada Life Assurance Company acquired most of the insurance operations of Crown Life. Although Crown Life's operations have significantly changed as a result of this transaction, it retained approximately $1.4 billion in assets and certain insurance operations which will continue to be managed by Crown Life.

Payment of principal and interest is subject to available cash flow as defined in the loan agreement. Due to collection uncertainty, the Government will record interest income when payments are received. HARO made combined payments of $47.4 million during the year. Total interest owing to the Government at the end of the year is $146.0 million (1999 - $136.0 million).

All unpaid principal and interest is due on December 15, 2017. On that date, any amounts outstanding will convert to 100 per cent of HARO equity shares. The Government has a unilateral right, prior to December 15, 2017, to convert no less than 25 per cent of the loan to either HARO non-voting, HARO voting or Crown Life shares. Any conversion may be subject to regulatory approval.

Ownership of the 68,000,000 of HARO's Class B non-voting common shares entitles the Government to a maximum of 100 per cent of participation rights with respect to dividends and remaining property of HARO on its liquidation or dissolution. Subject to regulatory approval, the Government has a unilateral right to exchange at any time the Class B shares for voting shares or HARO's assets.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Investment in Government Business Partnerships

The Government has invested in government business partnerships to promote economic growth and provide an economic return. At March 31, 2000, the Government's investment in government business partnerships includes Meadow Lake Pulp Limited Partnership (MLPLP) and NewGrade Energy Inc. (NewGrade). At March 31, 2001, it also includes Centennial Foods Partnership (Centennial) and Foragen Technologies Limited Partnership (Foragen), two new partnerships entered into during the year. Centennial is a value-added food manufacturing and food service distribution business that is expanding its processing operations into Saskatchewan. Foragen is a venture capital fund which will offer seed capital to technology corporations. MLPLP operates a pulp mill near Meadow Lake and NewGrade operates a heavy oil upgrading plant in Regina. The Government holds a 35 per cent share in Centennial, 33.3 per cent share in Foragen and 50 per cent share in each of MLPLP and NewGrade. With the exception of Foragen, these investments are accounted for using the modified equity method. For 2000-01 only, due to limited activity since the formation of the partnership, Foragen is recorded at cost and is not included in the condensed financial information for government business partnerships.

	(thousands of dollars)	
	2001	2000 (Restated)
Condensed Financial Information for Government Business Partnerships:		
Assets		
Capital assets	**$ 303,993**	$ 318,139
Other assets	**277,639**	166,801
Total Assets	**581,632**	484,940
Liabilities		
Debt		
Owing to government organizations	**515,076**	466,106
Other	**269,573**	343,780
Other liabilities	**113,647**	140,438
Total Liabilities	**898,296**	950,324
Net Liabilities	**$ (316,664)**	$ (465,384)
Operating Results		
Revenue	**$ 1,236,862**	$ 876,405
Expenses	**1,143,887**	890,237
Net Operating Results for the Year	**92,975**	(13,832)
Net Operating Deficiency - beginning of year	**(576,261)**	(523,517)
Effect of partnership dissolution	**-**	(38,912)
Net Operating Deficiency - end of year	**(483,286)**	(576,261)
Equity advances/share capital (net of partnership distributions)	**166,622**	110,877
Net Deficiency - End of Year	**$ (316,664)**	$ (465,384)
Investment in Government Business Partnerships:		
Government's share of accumulated Net Operating Deficiency	**$ (241,617)**	$ (288,131)
Government's investment [1]	**88,927**	64,806
Adjustments [2]	**137,196**	114,910
Total Investment in Government Business Partnerships [3]	**$ (15,494)**	$ (108,415)

[1] Government's investment includes the Government's initial investment net of partnership distributions as well as subsequent cash injections provided under various terms and conditions.

[2] Adjustments include:
- elimination of expenditures included in the Government's share of accumulated operating deficiency above and also consolidated as part of the operations of Government Service Organizations.
- recording additional operating expenditures incurred by the Government's subsidiaries through which the Government has made these investments.

[3] Total investment in government business partnerships includes:

Centennial Foods Partnership	**$ 19,939**	$ -
Foragen Technologies Limited Partnership	**3,000**	-
NewGrade Energy Inc.	**(4,804)**	(56,613)
Meadow Lake Pulp Limited Partnership	**(33,629)**	(51,802)
	$ (15,494)	$ (108,415)

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 5 - Accounts Payable and Accrued Liabilities

(thousands of dollars)

	2001	2000
Transfers	$ 268,134	$ 501,792
Supplier payments	194,568	183,144
Accrued interest	189,662	224,666
Accrued employee benefits	161,359	146,948
Transfers to the federal government	107,546	154,980
Public employee benefit plans claims payable	62,830	58,265
Capital lease obligations (note 12)	47,561	51,626
Other	125,024	128,188
Total Accounts Payable and Accrued Liabilities	$ 1,156,684	$ 1,449,609

Schedule 6 - Other Liabilities

(thousands of dollars)

	2001	2000
Funds held on behalf of government enterprises and others		
Saskatchewan Liquor and Gaming Authority	$ 12,925	$ 673,570
Queen's Bench Court Accounts	9,614	10,002
Public Employees' Pension Plan	5,714	9,193
Teachers' Superannuation Commission	4,171	3,135
Others	21,078	20,693
	53,502	716,593
Other	6,902	4,942
Total Other Liabilities	$ 60,404	$ 721,535

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 7 - Public Debt

(thousands of dollars)

	2001			2000
	Gross Public Debt	Less Sinking Funds [3]	Public Debt	Public Debt
Government Service Organizations				
General Revenue Fund [1]	$ 7,912,755	$ 507,276	$ 7,405,479	$ 7,525,371
Saskatchewan Housing Corporation	174,790	949	173,841	192,349
Saskatchewan Opportunities Corporation	152,065	1,813	150,252	125,843
District Health Boards	124,622	-	124,622	126,551
Agricultural Credit Corporation of Saskatchewan	66,951	7,116	59,835	77,894
Crown Investments Corporation of Saskatchewan (non-consolidated)	276,195	232,992	43,203	58,656
Saskatchewan Water Corporation	41,435	2,832	38,603	62,024
Information Services Corporation of Saskatchewan	30,246	-	30,246	6,930
Other	6,476	-	6,476	1,201
Debt of Government Service Organizations	8,785,535	752,978	8,032,557	8,176,819
Government Enterprises				
Saskatchewan Power Corporation	1,660,718	77,217	1,583,501	1,542,426
SaskEnergy Incorporated	771,936	54,443	717,493	730,632
Saskatchewan Telecommunications Holding Corporation	445,807	31,856	413,951	408,824
Municipal Financing Corporation of Saskatchewan	62,075	-	62,075	90,991
Saskatchewan Gaming Corporation	20,093	-	20,093	24,059
	2,960,629	163,516	2,797,113	2,796,932
Adjustments to March 31	205,938	(39,870)	245,808	84,155
Debt of Government Enterprises [2]	3,166,567	123,646	3,042,921	2,881,087
Total Public Debt [4]	$ 11,952,102	$ 876,624	$ 11,075,478	$ 11,057,906

Debt repayable in foreign currency has been restated in Canadian dollar equivalents.

[1] General Revenue Fund debt is shown net of $3,010.7 million (2000 - $2,843.8 million) reimbursable from government enterprises, $468.3 million (2000 - $499.8 million) reimbursable from government service organizations, and $0 (2000 - $2.3 million) borrowed from other government service organizations.

[2] The debt of government enterprises is as presented in their audited financial statements closest to March 31, 2001. The balance is adjusted for the net change to March 31, 2001.

[3] See Schedule 8 for information on sinking funds.

[4] See Schedule 9 for information on debt by maturity.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 8 - Sinking Funds

(thousands of dollars)

	2000	2001				
	Sinking Funds	Contributions	Earnings	Less Redemptions	Currency Adjustment	Sinking Funds
Government Service Organizations						
General Revenue Fund	$ 402,480	$ 52,669	$ 36,256	$ -	$ 15,871	$ 507,276
Crown Investments Corporation of Saskatchewan (non-consolidated)	217,539	-	15,453	-	-	232,992
Agricultural Credit Corporation of Saskatchewan	157,657	6,000	7,104	163,645	-	7,116
Saskatchewan Water Corporation	2,361	302	169	-	-	2,832
Saskatchewan Opportunities Corporation	863	850	100	-	-	1,813
Saskatchewan Housing Corporation	322	585	42	-	-	949
Sinking Funds of Government Service Organizations	781,222	60,406	59,124	163,645	15,871	752,978
Government Enterprises						
Saskatchewan Power Corporation	137,844	8,610	6,722	77,513	1,554	77,217
Saskatchewan Telecommunications Holding Corporation	60,086	3,176	3,967	36,023	650	31,856
SaskEnergy Incorporated	46,133	4,869	3,441	-	-	54,443
	244,063	16,655	14,130	113,536	2,204	163,516
Adjustments to March 31	(28,708)	2,142	541	15,989	2,144	(39,870)
Sinking Funds of Government Enterprises	215,355	18,797	14,671	129,525	4,348	123,646
Total Sinking Funds	$ 996,577	$ 79,203	$ 73,795	$ 293,170	$ 20,219	$ 876,624

The market value of sinking funds, at March 31, 2001, is $890.3 million (2000 - $994.0 million).

Sinking fund earnings include gains on investment sales of $7.5 million (2000 - losses of $5.6 million).

Annual contributions, when established by Order in Council, are set at not less than one per cent of debentures outstanding. The redemption value is based on the market value of the sinking fund units at the date of redemption.

The aggregate amount of contributions estimated to be required in each of the next five fiscal years to meet sinking fund requirements are:

(thousands of dollars)

	Government Service Organizations	Government Enterprises	Total
2001-02	$ 62,836	$ 16,692	$ 79,528
2002-03	62,836	16,692	79,528
2003-04	62,836	16,692	79,528
2004-05	59,969	15,904	75,873
2005-06	50,409	15,904	66,313
	$ 298,886	$ 81,884	$ 380,770

Sinking fund assets have been invested as follows:

(thousands of dollars)

	2001	2000 (Restated)
Long-term Investments		
Province of Saskatchewan securities; coupon interest range 5.5% to 10.3%; maturing in 2.3 to 27.9 years	$ 370,036	$ 556,826
Government of Canada securities; coupon interest range 5.0% to 6.5%; maturing in 2.4 to 28.2 years	43,291	23,949
Other provincial governments' securities; coupon interest range 5.3% to 10.3%; maturing in 2.7 to 38.3 years	275,634	238,448
Government of the United States securities; coupon interest rate 6.3%; maturing in 29.1 years	17,558	-
Other long term investments; coupon interest rate 8.3%; maturing in 15.4 years	12,951	-
Cash, short term investments and accrued interest	157,154	177,354
Total Sinking Funds	$ 876,624	$ 996,577

Short term investments include $135.7 million (2000 - $66.5 million) Province of Saskatchewan securities.

Cash, short term investments and accrued interest are disclosed net of $7.9 million (2000 - $3.8 million) in liabilities.

Included are U.S. dollar cash, investments and accrued interest converted to $289.6 million Canadian (2000 - $225.9 million) at the exchange rate in effect at March 31, 2001 of 1.5774 (March 31, 2000 - 1.4535).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 9 - Public Debt by Maturity

(thousands of dollars)

Year of Maturity	2001 Canadian Dollar Debt	2001 U.S. Dollar Debt (CDN $)	2001 Total (CDN $)	2001 Average Coupon Rate	2000 Total (CDN$)	2000 Average Coupon Rate
Government Service Organizations						
Short-term promissory notes	$ 392,100	$ -	$ 392,100	5.01%	$ 345,300	5.12%
2000-01	-	-	-	-	1,252,122	10.28%
2001-02	791,515	-	791,515	8.42%	833,594	8.18%
2002-03	385,870	-	385,870	9.96%	397,617	9.29%
2003-04	374,010	-	374,010	7.41%	415,846	7.04%
2004-05	1,126,578	-	1,126,578	8.49%	1,525,847	7.55%
2005-06	721,859	-	721,859	6.30%	-	
1-5 years	3,791,932	-	3,791,932		4,770,326	
6-10 years	2,248,415	-	2,248,415	6.97%	1,766,771	7.16%
11-15 years	1,082,835	670,395	1,753,230	8.74%	1,769,789	8.90%
16-20 years	95,998	473,220	569,218	8.74%	54,755	6.43%
21-25 years	15,000	157,740	172,740	8.60%	596,400	9.05%
Thereafter	250,000	-	250,000	5.75%	-	
	$ 7,484,180	$ 1,301,355	8,785,535		8,958,041	
Less: Sinking funds			(752,978)		(781,222)	
Debt of Government Service Organizations			8,032,557		8,176,819	
Government Enterprises						
Short term promissory notes	$ 241,000	$ -	$ 241,000	5.01%	14,700	5.12%
2000-01	-	-	-	-	87,745	10.86%
2001-02	43,579	-	43,579	13.39%	36,285	15.21%
2002-03	16,529	-	16,529	13.36%	385,423	12.50%
2003-04	97,280	78,870	176,150	9.35%	170,030	9.45%
2004-05	205,878	-	205,878	11.52%	205,966	11.52%
2005-06	189,259	-	189,259	9.88%	-	-
1-5 years	793,525	78,870	872,395		900,149	
6-10 years	612,415	306,015	918,430	7.96%	926,064	8.73%
11-15 years	11,495	118,305	129,800	7.54%	109,013	7.38%
16-20 years	35,166	315,480	350,646	9.10%	-	
21-25 years	415,000	315,480	730,480	8.92%	821,400	9.13%
Thereafter	164,816	-	164,816	5.70%	339,816	7.26%
	$ 2,032,417	$ 1,134,150	3,166,567		3,096,442	
Less: Sinking funds			(123,646)		(215,355)	
Debt of Government Enterprises			3,042,921		2,881,087	
Total Public Debt			$ 11,075,478		$ 11,057,906	

See page 69 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 9 (continued) - Public Debt by Maturity

The overall average effective interest rate of public debt is 8.74 per cent (2000 - 8.33 per cent) and the average term to maturity is 8.9 years (2000 - 8.3 years). The average effective interest rate includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures.

U.S. dollar debentures have been converted to Canadian dollars at the exchange rate in effect at March 31, 2001 of 1.5774 (March 31, 2000 - 1.4535).

The debt of government service organizations includes Canada Pension Plan debentures of $595.1 million (2000 - $612.7 million) at a weighted average interest rate of 11.05 per cent, ranging from 5.97 per cent to 17.51 per cent. Of this amount, $74.6 million is payable within one year. The debt of government enterprises includes Canada Pension Plan debentures of $734.6 million (2000 - $728.1 million) at a weighted average interest rate of 10.93 per cent, ranging from 6.57 per cent to 16.10 per cent. Of this amount, $35.0 million is payable within one year. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

Debt includes debentures of $822.8 million (2000 - $1,066.5 million) redeemable annually at the option of the holder or anytime on the death of the holder. $71.0 million of this amount is payable within one year.

Included in total public debt are the following amounts:

- debentures totalling 22.5 billion yen (2000 - 22.5 billion) fully hedged to $259.2 million Canadian (2000 - $259.2 million).
- debentures totalling $750.0 million U.S. (2000 - $750.0 million) fully hedged to $1,037.0 million Canadian (2000 - $1,037.0 million).
- debentures totalling 200.0 million Deutschmarks (2000 - 200.0 million) fully hedged to $154.1 million Canadian (2000 - $154.1 million).
- debentures totalling 200.0 million Swiss francs (2000 - 400.0 million) fully hedged to $145.4 million Canadian (2000 - $292.0 million).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 10 - Guaranteed Debt

(thousands of dollars)

	2001	2000 (Restated)
The Industry and Commerce Development Act		
Saskferco Products Inc.	$ 142,797	$ 150,568
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.	93,038	118,723
Crown Investments Corporation of Saskatchewan (non-consolidated)		
NewGrade Energy Inc.	71,021	90,691
The Power Corporation Act		
Luscar Ltd.	25,105	26,957
National Trust Company	12,007	13,860
The Farm Financial Stability Act		
The Breeder associations	15,970	15,210
The Feeder associations	15,560	14,824
Other	11,173	13,140
Total Guaranteed Debt	$ 386,671	$ 443,973

Total guaranteed debt is net of a loss provision of $2.2 million (2000 - $0.8 million).

In addition to the amount shown, there is a contingent liability for interest accrued on these items.

See page 71 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 10 (continued) - Guaranteed Debt

Saskferco Products Inc. (Saskferco)

The Government has guaranteed certain medium-term notes issued by Saskferco to finance the construction of a nitrogen based fertilizer plant located near Belle Plaine.

This guarantee pertains to debt denominated in U.S. dollars. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. The amount recorded is net of $119.1 million (2000 - $114.0 million) for Saskferco's equity in a sinking fund.

NewGrade Energy Inc. (NewGrade)

The Government has indemnified the Government of Canada for its guarantee of NewGrade's long-term debt, to a maximum of $275 million. At March 31, 2001, the Government's guarantee is $71.0 million (2000 - $90.7 million).

The Government has also guaranteed certain long-term debt of NewGrade to a maximum of $360 million. A significant portion of this guarantee relates to U.S. denominated debt. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. At March 31, 2001, the Government's guarantee is $93.0 million (2000 - $118.7 million).

Luscar Ltd.

The Government has guaranteed a $45 million promissory note issued by Luscar Ltd. to finance the purchase of a dragline from Saskatchewan Power Corporation. The note is due in 2003. The amount recorded is net of $19.9 million (2000 - $18.0 million) for Luscar Ltd's equity in a sinking fund administered by the Minister of Finance.

National Trust Company

The Government is contingently liable for payments on certain leased mining equipment, which was assumed by the purchaser of a mining operation. The lease expires in 2004.

Breeder and Feeder Associations

The Government provides guarantees to lenders who make loans to production associations. The Government guarantees repayment of 25 per cent of the outstanding loan balance at the time of a first default on any advance, plus accrued interest as of the time that payment is to be made on the guarantee. Guarantees for each production association are limited to $4 million under both the breeder cattle and feeder cattle options.

Other

Other includes guarantees under $10 million.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 11 - Revenue

(thousands of dollars)

	2001	2000
Taxation		
Individual income	$ 1,255,409	$ 1,446,169
Sales	736,563	660,314
Fuel	345,136	369,010
Corporation capital	342,242	293,351
Corporation income	333,299	277,226
Tobacco	122,012	123,866
Other	68,595	53,848
Total Taxation	3,203,256	3,223,784
Non-renewable Resources		
Oil	799,049	640,097
Natural gas	239,305	91,784
Potash	199,296	169,452
Other	55,064	41,817
Total Non-renewable Resources	1,292,714	943,150
Other Own-source Revenue		
Fees/permits/licenses	484,321	507,977
Interest and dividends	114,223	94,527
Equity investments	73,493	7,954
Insurance	69,635	85,528
Gain on sale of investments	-	26,367
Other	182,071	186,628
Total Other Own-source Revenue	923,743	908,981
Total Own-source Revenue	5,419,713	5,075,915
Transfers from the Federal Government		
Canada Health and Social Transfer	552,378	556,282
Equalization	175,247	541,598
Crop insurance premium contributions	78,925	70,104
Housing subsidy	55,126	63,880
Other	167,147	321,711
Total Transfers from the Federal Government	1,028,823	1,553,575
Total Revenue	$ 6,448,536	$ 6,629,490

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 12 - Gains and Losses on Investments

(thousands of dollars)

	2001	2000
Gain (Loss) on Sale of Investments		
Saskfor MacMillan Limited Partnership	$ -	$ 30,241
Western Canadian Beef Packers Inc.	-	(3,874)
Net Gain on Sale of Investments	-	26,367
Earnings (Losses) from Equity Investments		
NewGrade Energy Inc.	**51,809**	1,020
Meadow Lake Pulp Limited Partnership	**17,712**	10,605
Saskferco Products Inc.	**3,065**	(2,191)
Saskfor MacMillan Limited Partnership	-	3,038
Centennial Foods Partnership	**(61)**	-
Other	**968**	(4,518)
Net Earnings from Equity Investments	**73,493**	7,954
Provision for Investment Losses	**(3,543)**	(2,500)
Net Gain on Investments	$ **69,950**	$ 31,821

Schedule 13 - Net Change in Non-cash Operating Activities

(thousands of dollars)

	2001	2000
Decrease (increase) in prepaid expenditures	$ **(7,409)**	$ (473)
Decrease (increase) in accounts receivable	**141,273**	(312,577)
Decrease (increase) in inventories held for resale	**(858)**	512
Decrease (increase) in deferred charges	**(23,467)**	7,925
Increase (decrease) in accounts payable and accrued liabilities	**(292,925)**	117,417
Increase (decrease) in unearned revenue	**19,882**	22,616
Net Change in Non-cash Operating Activities	$ **(163,504)**	$ (164,580)

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 14 - Reporting Entity

Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Agri-Food Equity Fund
Agri-Food Innovation Fund
Associated Entities Fund
Big Game Damage Compensation Fund [2]
Board of Governors, Uranium City Hospital
Carlton Trail Regional College
Cattle Marketing Deductions Fund
CIC Industrial Interests Inc.
Commercial Revolving Fund
Correctional Facilities Industries Revolving Fund
Correspondence School Revolving Fund
Crop Reinsurance Fund of Saskatchewan
Crown Investments Corporation of Saskatchewan (non-consolidated)
Cumberland Regional College
Cypress Hills Regional College
District Health Boards
Extended Health Care Plan
Extended Health Care Plan for Certain Other Employees
Fiscal Stabilization Fund [1]
Fish and Wildlife Development Fund
General Revenue Fund
Health Services Utilization and Research Commission
Highways Revolving Fund
Horned Cattle Fund
Information Services Corporation of Saskatchewan [4]
Law Reform Commission of Saskatchewan
Learning Resources Distribution Centre Revolving Fund
Livestock Services Revolving Fund
Milk Control Board
North West Regional College
Northern Revenue Sharing Trust Account
Northlands College
Oil and Gas Environmental Fund
Operator Certification Board [1]
Parkland Regional College
Pastures Revolving Fund [5]
Prairie Agricultural Machinery Institute
Prairie West Regional College
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund
Public Employees Disability Income Fund
Public Employees Group Life Insurance Fund
Queen's Printer Revolving Fund
Resource Protection and Development Revolving Fund
Saskatchewan Agricultural Stabilization Fund
Saskatchewan Apprenticeship and Trade Certification Commission
Saskatchewan Archives Board
Saskatchewan Arts Board
Saskatchewan Cancer Foundation
Saskatchewan Centre of the Arts Fund
Saskatchewan Communications Network Corporation
Saskatchewan Crop Insurance Corporation
Saskatchewan Development Fund Corporation
Saskatchewan Grain Car Corporation
Saskatchewan Health Information Network
Saskatchewan Heritage Foundation
Saskatchewan Housing Corporation
Saskatchewan Indian Regional College [2]
Saskatchewan Institute of Applied Science and Technology
Saskatchewan Legal Aid Commission
Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation
Saskatchewan Opportunities Corporation
Saskatchewan Property Management Corporation
Saskatchewan Research Council
Saskatchewan Student Aid Fund
Saskatchewan Transportation Company
Saskatchewan Water Corporation
Saskatchewan Western Development Museum
Saskatchewan Wetland Conservation Corporation
Sask911 Account
Southeast Regional College
St. Louis Alcoholism Rehabilitation Centre
Training Completions Fund [3]
Transportation Partnerships Fund
Victims' Fund
Water Appeal Board

Government Enterprises (Modified Equity Method)

Municipal Financing Corporation of Saskatchewan
Saskatchewan Auto Fund
Saskatchewan Gaming Corporation
Saskatchewan Government Growth Fund Management Corporation
Saskatchewan Government Insurance
Saskatchewan Liquor and Gaming Authority
Saskatchewan Power Corporation
Saskatchewan Telecommunications Holding Corporation
SaskEnergy Incorporated
Workers' Compensation Board (Saskatchewan)

[1] Organization established during 2000-01.
[2] Organization wound-up during 2000-01.
[3] Organization determined to be in reporting entity during 2000-01.
[4] Name changed from Saskatchewan Land Information Services Corporation during 2000-01.
[5] Name changed from Conservation and Development Revolving Fund during 2000-01.